



- Student Manual
- Counselor (PFM/CFS) Checklist
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TC 7

Marriage





Marriage

Student Manual



I. INTRODUCTION

Marriage introduces many changes to a relationship, including financial considerations and adjustments. Money is one of the most common stressors in a relationship, but with communication and planning, it doesn't have to be. This is your opportunity as a Command Financial Specialist to help Service members improve their financial situation. Use the Checklist and Handouts provided as solution-focused tools to help newly married Service members set financial goals, establish priorities, and develop a family action plan.

II. LEARNING OBJECTIVES

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

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

ELOs: Update personal spending plan. Understand changes in basic pay and allowances as a result of the birth of a child. Be able to develop a spending plan that accounts for necessities and child care.
- TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELO: Understand how to update federal and state withholding as needed.
- TLO:** Recognize and understand how to protect against misleading consumer practices, and report consumer complaints.

ELOs: Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Be able to access and read a credit report to identify potential fraudulent activities. Understand credit fraud and the process for placing alerts and freezes on accounts. Know which federal agencies support consumer protections and how to find information.
- TLO:** Understand education financing, to include available benefits, obligations, and repayment options.

ELOs: Be able to assess the cost of educational programs. Know a variety of education benefits available to Service members and families. Understand general information on various financial aid options such as grants, scholarships and loans. Understand the value of saving early. Identify, compare and contrast educational saving programs.
- TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
- TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.

ELOs: Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the need to update insurance levels and premiums to cover liabilities. Understand benefits of flexible spending accounts.
- TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, power of attorney, etc.).

ELOs: Understand estate planning considerations. Know why it is important to update estate planning documents and beneficiaries.
- TLO:** Discuss TRICARE options and costs.

ELOs: Know how to add or remove dependents to/from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review benefits and costs of various health insurance options. Know which health care benefits will be used for varying scenarios.
- TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
- TLO:** Recognize the importance of and be able to develop savings and an emergency fund.

ELOs: Understand the importance of starting and maintaining emergency savings. Know how to set emergency savings goals. Know various methods and modes for keeping emergency funds. Know how to assess how much should be kept in an emergency fund. Be able to set guidelines for starting and replenishing an emergency fund.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.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>
<https://militarypay.defense.gov/Benefits/Savings-Deposit-Program>
- Consumer Financial Protection Bureau (CFPB) —
<https://www.consumerfinance.gov>
<https://www.consumerfinance.gov/consumer-tools/military-financial-lifecycle>
- Department of Education — <https://www.ed.gov>
- Federal Student Aid — <https://studentaid.ed.gov/sa>
- Blended Retirement System (BRS) — <https://militarypay.defense.gov/blendedretirement>
- Thrift Savings Plan (TSP) — <https://www.tsp.gov>
<https://www.tsp.gov/LifeEvents>
<https://www.tsp.gov/PlanParticipation/AccountManagement/beneficiaries.html>
- Servicemembers' Group Life Insurance (SGLI) — <https://www.va.gov/life-insurance/options-eligibility/sgli>
- Veterans' Group Life Insurance (VGLI) — <https://www.va.gov/life-insurance/options-eligibility/vgli>
- Medicaid — <https://www.medicaid.gov>
- Medicare — <https://www.medicare.gov>
- HealthCare.gov — <https://www.healthcare.gov/have-job-based-coverage/flexible-spending-accounts>
- Defense Finance and Accounting Service (DFAS)/Survivor Benefit Plan (SBP) —
<https://www.dfas.mil/militarymembers/payentitlements/sdp.html>
<https://www.dfas.mil/retiredmilitary/provide/sbp.html>
- TRICARE — <https://www.tricare.mil>
<https://www.tricare.mil/Plans/Eligibility/MedicareEligible>
- Defense Enrollment Eligibility Reporting System (DEERS) — <https://www.tricare.mil/deers>
- Military Health System — <https://health.mil>
- Military Compensation Policy/MilConnect — <https://milconnect.dmdc.osd.mil/milconnect>
- Military Compensation — <https://militarypay.defense.gov/benefits/savings-deposit-program>
- Federal Deposit Insurance Corporation (FDIC) — <https://www.fdic.gov>
- National Credit Union Administration (NCUA) — <https://www.ncua.gov>
- USA.gov — <https://www.usa.gov/saving-investing>
- Treasury Direct — <https://www.savingsbonds.gov>
- U.S. Securities and Exchange Commission — <https://www.investor.gov>
- Department of Veterans Affairs (VA) —
<https://www.va.gov>
<https://www.benefits.va.gov>
<https://benefits.va.gov/gibill>
- Free annual credit report — <https://www.annualcreditreport.com>
- Federal Emergency Management Agency (FEMA) —
<https://www.fema.gov/national-flood-insurance-program>
- Federal Trade Commission (FTC) Consumer Information — <https://www.consumer.ftc.gov>
- milSuite — <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.
DEERS	Defense Enrollment Eligibility Reporting System	Registration in this database is required for TRICARE eligibility and other benefits.
LES	Leave and Earnings Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
PSLF	Public Service Loan Forgiveness	This program forgives remaining balances on Direct Loans for those who have made 120 qualifying monthly payments under a qualifying repayment plan while working full time for a qualifying employer.
SGLI	Servicemembers' Group Life Insurance	Servicemembers' Group Life Insurance offers low-cost term coverage to eligible Service members.
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.
VA	Department of Veterans Affairs	This federal agency provides health and other benefits to eligible veterans and their families.
VGLI	Veterans' Group Life Insurance	Service members who are eligible for Veterans' Group Life Insurance may be able to keep their life insurance coverage after they leave the military for as long as they continue to pay the premiums.

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)

- *Marriage CFS/PFM Checklist*
- *Marriage Counselee Checklist*

Handouts:

- *My Rating As a Money Manager Handout*
- *Financial Values Handout*
- *Spending Plan Worksheet Handout*
- *Major Purchases Handout*
- *5 Rules of Buying a House Handout*
- *Military Retirement Handout*
- *Thrift Savings Plan Handout*
- *Education Benefits and Savings Handout*
- *TRICARE Overview Handout*
- *Estate Planning Handout*
- *Understanding Credit Handout*
- *Sources of Help for Military Consumers Handout*
- *Military Consumer Protection Handout*
- *Survivor Benefits Overview Handout*
- *Paying off Student Loans 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.

- *Marriage Touchpoint Checklists and Handouts*
- *Marriage PowerPoint (PPT) Training slides and Instructor Guide (IG)*
- *Marriage Videos and Video Discussion Guides (VDG)*

3. Online Training

- *Marriage Course (Navy e-Learning, My Navy Portal or your service-specific e-learning site)*

VI. ADDITIONAL LEARNING AND ACTIVITIES

Preparing for marriage can be a stressful time for Service members and their new spouse/family. The training materials, checklists, and handouts can help couples getting their finances ready before getting married, take advantage of educational and counseling opportunities and alleviate stress. Use these resources to help couples set goals, establish priorities, and develop a family action plan.

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

- Complete the *Spending Plan Worksheet* Handout
- Demonstrate how to estimate life insurance needs
- Have couples complete the *My Rating As a Money Manager* and *Financial Values* Handouts

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.

- Marriage and Money
- Developing Your Spending Plan
- Your Insurance Needs



MARRIAGE IN THE NAVY

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

Marriage introduces many changes to a relationship, including ones to your finances. This checklist, supplemented with information and referrals from Fleet and Family Support Center (FFSC) staff, can help you and your spouse organize your finances efficiently and work through many of the changes that come with your new status.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview
- ✓ My Rating as a Money Manager
- ✓ Financial Values

Use the checklist and listed handouts as a solution-focused tool to set goals, establish priorities, and develop a family action plan. Space is provided to add local resources and reminders about additional topics.

Counselor: Ask the counselees about their relationship. Are they engaged? Previously married? Married already? Blending families? Dual military? Is your spouse foreign-born? These and other factors may affect some of their financial priorities.



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. Remind counsees they can make saving 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.

- Make banking and credit card arrangements that work for your new household.

Counselor: Ask if both spouses will continue to use their existing separate bank or credit card accounts. Will they close existing accounts or add the new spouse to an account? Or will they open one or more new joint accounts at a new bank or credit union?

- Establish a bill paying system that is effective for your new household.

Counselor: Remind counsees the first and most important step toward a good credit score is to pay bills on time.

- 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 they may be able to get a free copy of credit reports from the Personal Financial Counselor/Educator (PFM/E) at the FFSC. The PFM/E can also help them interpret their reports and discuss what they need to do to improve their scores.

- Review your new tax situation and change federal and state withholding as needed via mypay.dfas.mil. Reserve members will need to do this with their employers as well.

Counselor: Remind counsees that for additional help, such as deciding whether to file tax returns separately or jointly, they may wish to consult with a PFM/E at the FFSC or the on-base Volunteer Income Tax Assistance (VITA) office.

- Update personal property tax records in your city and/or county to reflect your new marital status, if appropriate.

- Review the Military Spouse Residency Relief Act (MSRRA), which protects tax, voting and property rights of military spouses. A military spouse may keep their tax domicile (legal residence) if they move because their military spouse is transferred out of state.

Additional notes: _____



CONSUMER PROTECTION

- 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. Review the handouts on "Major Purchases" and "5 Rules of Buying a House" for more information.

Counselor: Remind counsees to speak with financial counselors on their installation to build and review their spending plan before taking on any major purchases.

- Work with the base housing office for any housing needs related to the change in your marital status.

Counselor: Remind counsees that if they are renting a new residence, to be sure their lease contains a military clause.

- Review the "Education Benefits and Savings" and "Paying off Student Loans" handouts to learn more about financing education, available benefits, obligations, and repayment options.

Counselor: Remind counsees to check on GI Bill benefits, tuition assistance, and the College Level Examination Program (CLEP) to help cover or offset costs of higher education. Suggest, they may want to investigate if an income-based repayment plan is appropriate for their new family size.

Additional notes: _____



PLANNING FOR THE FUTURE

- Review your retirement savings goals with your new spouse. Non-military spouses may have retirement plan options through their employer to consider. Spousal Roth or Traditional IRAs might also be appropriate to consider. For more information on components of military retirement and the TSP, refer to the handouts entitled "Military Retirement" and "Thrift Savings Plan."

Counselor: Encourage counsees to visit www.tsp.gov and learn more about investing for retirement.

- Ensure that your new spouse is listed as a beneficiary of your TSP account, as desired.

Counselor: Note that both spouses may want to ensure that their spouse is the beneficiary or joint owner of other investments, as appropriate.

- 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, then 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 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 counsees 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.

- Update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI), if appropriate.

Counselor: Note that Reserve members assigned to a unit scheduled to perform at least 12 periods of inactive duty creditable for retirement purposes can purchase full-time SGLI coverage that is in effect 365 days of the year. They are also covered for 120 days following separation or release from duty. Refer counsees to www.benefits.va.gov/insurance/ for more information. Inform counsees that the SGLI Online Enrollment System (SOES) allows Service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office. To access SOES, they must sign into www.dmdc.osd.mil/milconnect and go to the "Benefits" tab, Life Insurance SOES-SGLI Online Enrollment System.

- Enroll your dependents in Family Servicemembers' Group Life Insurance (FSGLI).

Counselor: Inform counsees that FSGLI provides up to \$100,000 in coverage in \$10,000 increments to cover eligible spouses for as little as \$0.45/month. Dependent children are automatically covered at \$10,000 as soon as they are registered in DEERS. Refer counsees to www.benefits.va.gov/insurance/fsgli.asp for more information.

- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.

Counselor: Note that counsees may have more property after the wedding than before, or their new spouse may bring a pet into the household increasing the risk of harm to neighbors. If the marriage brings children, counsees should be sure they have enough liability insurance to cover injuries to playmates occurring on the counsees' property. Suggest they consider purchasing an "umbrella" or excess liability policy in addition to homeowners or renters insurance.

- Update your auto insurance policies, to inform your insurance carrier of your new marital status.
- Speak with the Legal Service Office to discuss updating your car title(s) and registration(s) to include your new spouse, if joint ownership is desired.

Counselor: Remind counsees to investigate the tax advantages or disadvantages of joint property ownership. Inform counsees that if joint ownership is desired, titles and registration can be changed at a local office of the state's department of motor vehicles. (Note that in some states, there may be tax advantages to titling vehicles in the Service member's name only.)

- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney, etc.

Counselor: If a counselee does not yet have an estate plan, encourage them to develop a plan with assistance from the base legal office (active duty) or civilian legal services (Reserve; legal services are sometimes available through civilian employers). To help active-duty Sailors learn more about Navy legal services, refer them to www.jag.navy.mil/legal_services.htm. Suggest counsees should seek legal assistance as soon as possible. They should not wait until right before temporary duty (TDY) travel or deployment, when appointments may be difficult to get.

- Consider updating any real estate deeds to include your new spouse, if you intend to own property jointly. Speak to the Legal Service Office on your installation for more information about your specific situation.

Counselor: Remind counsees to investigate the tax advantages or disadvantages of joint property ownership. If joint ownership is desired, counsees will need to research the location of the courthouse where the deed is held and the costs for changing records. This task may require an in-person application.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Enroll new family member(s) in TRICARE (active duty), TRICARE Reserve Select (Reserve members) or other health insurance plan. Review the handout "TRICARE Overview" for more information.

Counselor: Note that TRICARE Prime and TRICARE Select require annual enrollment. Counsees may also want to reassess their own TRICARE plan. Refer active-duty Sailors to www.tricare.mil/Plans/HealthPlans. Refer Reserve Component Sailors to www.tricare.mil/Plans/HealthPlans/TRS.

Remind Reservists that they must ensure continuous, regular payments to stay enrolled in TRICARE Reserve Select. Irregular drill pay can cause Service members and family members to be dropped until the next open enrollment period.

Remind Sailors with civilian insurance plans to review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

- If your spouse is employed and also has health insurance (OHI or “other health insurance”), arrange coordination of benefits with TRICARE or other insurance carrier.

Counselor: Normally, TRICARE becomes secondary insurance for a spouse with OHI. Some civilian insurers will not allow coverage under more than one policy.

- Enroll new family member(s) in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.

Counselor: Refer counselees to 1(844) 653-4061 or to www.tricare.mil/CoveredServices/Dental/TDP to learn more. Reserve members should examine available programs to determine the best insurance available for their situation.

- Review the “Survivor Benefits Overview” handout for more information on financial resources available to eligible dependents.

Additional notes: _____



SAVING AND INVESTING

- 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.



COMMUNICATION

- Assess your financial communication. On a scale of 1 – 4, with 1 = poor and 4 = very good:

1	2	3	4	Discussions about current assets, including savings and investments
1	2	3	4	Discussions about current debts
1	2	3	4	Discussions about current spending habits
1	2	3	4	Discussions about long-term financial goals like home ownership, college savings for children, and retirement.
1	2	3	4	Awareness of household finances (If one spouse is responsible for paying bills, saving, and investing, is the other informed about financial choices and the household's overall financial condition?)
1	2	3	4	Agreement on a "spending threshold" (i.e., an amount above which purchases can only be made with mutual consent).
1	2	3	4	Regularity of financial reviews (Do you put it on the calendar to make sure it happens?)

Counselor: Using the questions on the counselee's checklist as a starting point, ask the couple to discuss their financial communication. How comfortable is each partner with what they know about their current assets and debts, saving, investing, and spending practices? In what ways do they share financial management responsibilities? If one spouse is responsible for paying bills and making transfers to saving and investment accounts, how does that partner inform the other about financial choices and their household's financial condition? How have they handled questions or conflicts about spending? When do they review household finances? What changes to current practices would they like to implement? Encourage the counselees to take advantage of other free services on marriage and pre-marital counseling, available through the chaplain's office or the Fleet and Family Support Center (FFSC) to help create and strengthen strong communication skills.

- Complete the "My Rating as a Money Manager?" and "Financial Values" handouts. Fill out the inventories individually, then compare and discuss your results.

Counselor: Distribute the "My Rating as a Money Manager?" and "Financial Values" handouts. Allow spouses to complete the inventories separately, then compare and discuss results. (Note that depending on the level of existing financial conflict in your counselees' relationship, you may need to guide the discussion.) Encourage them not to let money problems lead to relationship problems. Stress the importance of clear and honest communication around finances, including existing assets, debts, goals, and plans for major purchases and retirement.

Additional notes: _____



ADMINISTRATIVE TASKS

- Obtain an original copy of your marriage certificate. Make sure to get several official copies. You will need them to change your name on your Social Security card, driver's license and passport.

Counselor: Remind counselee that their marriage certificate is not the same thing as their wedding license or the certificate they may have signed on the day of their wedding. In most places, an official marriage certificate is issued by the clerk's office (in the city, town, or county where the wedding took place) after the officiant has signed the license and returned it to be entered into the marriage register. Counselees should be sure to research the source for official documentation, costs involved, and the time frame for processing in that location. Note that if the new spouse is foreign-born, some expenses related to applying for U.S. citizenship may be reimbursable. Counselees should discuss their circumstances with unit leadership and the Military Personnel Section (MPS) office on base. (References: Joint Federal Travel Regulations (JFTR) Chapter 5, Part C, Section 3, Paragraph U5215 and forward; [www.defensetravel.dod.mil/Docs/perdiem/browse/Travel_Regulations/Regulations_Changes/Monthly/2013/Appendices/APPChange\(313-567\).pdf](http://www.defensetravel.dod.mil/Docs/perdiem/browse/Travel_Regulations/Regulations_Changes/Monthly/2013/Appendices/APPChange(313-567).pdf).)

- Obtain birth certificates (and Social Security cards, if available) for your new spouse and any dependent children.

Counselor: Remind counselees that an official copy is often embossed or certified in some way. Court documents may be notarized. To replace a lost or misplaced birth certificate, parents should check with the Bureau of Vital Statistics in the state where the child was born or see <https://www.usa.gov/replace-vital-documents> for information on how to obtain a replacement.

- If you or your spouse changes his or her name, update Social Security records and other forms of identification (driver's license, passport, military ID, etc.) to reflect the change. Update Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) to reflect your new marital status and add your dependents. Bring your marriage certificate; your spouse's birth certificate, Social Security card, and photo ID; and/or your child's birth certificate or adoption papers to the nearest DEERS/RAPIDS office.

Counselor: Remind counsees that this must be done in person. They may view a list of acceptable identification documents at www.cac.mil/Portals/53/Documents/List_of_Acceptable_Documents.pdf. They can find the nearest DEERS/RAPIDS office at www.dmdc.osd.mil/rsi/appj/site.

- Obtain ID cards for your spouse and any dependent children.

Counselor: Remind counsees that a child under age 10 generally does not need a military ID card and will not usually be issued one.

- Check your Leave and Earnings Statement (LES) after DEERS updates.

Counselor: Remind counsees to verify the requested changes have been made and they are receiving the correct pay and allowances. Suggest they be especially careful about overpayments, as these will be recouped. Remind counsees to set aside money from an overpayment. Tell them that if they do not know where money comes from, they should probably save it until they find out.

- Seek out the Navy COMPASS course for new spouses on your base.

Counselor: Encourage counsees to make time for this course, especially spouses new to the military. If possible, share course registration information, schedule, and location.

- Seek out and take advantage of financial workshops at the FFSC.

Counselor: Promote workshops that are available through your FFSC (share your Center's schedule with the counselee, the Navy-Marine Corps Relief Society (NMCRS), or similar providers in other services — e.g., Fleet and Family Support Center, Air Force Aid Society (AFAS) on a joint base).

Additional notes: _____



Marriage introduces many changes to a relationship, including ones to your finances. This checklist, supplemented with information and referrals from Fleet and Family Support Center (FFSC) staff, can help you and your spouse organize your finances efficiently and work through many of the changes that come with your new status.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection Consumers
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview
- ✓ My Rating as a Money Manager
- ✓ Financial Values

Use the checklist and listed handouts as a solution-focused tool to set goals, establish priorities, and develop a family action plan. Space is provided to add local resources and reminders about additional topics.



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.

- Make banking and credit card arrangements that work for your new household.
- Establish a bill paying system that is effective for your new household.
- 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.
- Review your new tax situation and change federal and state withholding as needed via mypay.dfas.mil. Reserve members will need to do this with their employers as well.
- Update personal property tax records in your city and/or county to reflect your new marital status, if appropriate.
- Review the Military Spouse Residency Relief Act (MSRRA), which protects tax, voting and property rights of military spouses. A military spouse may keep their tax domicile (legal residence) if they move because their military spouse is transferred out of state.

Additional notes: _____



CONSUMER PROTECTION

- 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. Review the handouts on "Major Purchases" and "5 Rules of Buying a House" for more information.
- Work with the base housing office for any housing needs related to the change in your marital status.
- Review the "Education Benefits and Savings" and "Paying off Student Loans" handouts to learn more about financing education, available benefits, obligations, and repayment options.

Additional notes: _____



PLANNING FOR THE FUTURE

- Review your retirement savings goals with your new spouse. Non-military spouses may have retirement plan options through their employer to consider. Spousal Roth or Traditional IRAs might also be appropriate to consider. For more information on components of military retirement and the TSP, refer to the handouts entitled "Military Retirement" and "Thrift Savings Plan."
- Ensure that your new spouse is listed as a beneficiary of your TSP account, as desired.
- 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, then 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 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.

- Update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI), if appropriate.
- Enroll your dependents in Family Servicemembers' Group Life Insurance (FSGLI).
- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.
- Update your auto insurance policies, to inform your insurance carrier of your new marital status.
- Speak with the Legal Service Office to discuss updating your car title(s) and registration(s) to include your new spouse, if joint ownership is desired.

- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney, etc.
- Consider updating any real estate deeds to include your new spouse, if you intend to own property jointly. Speak to the Legal Service Office on your installation for more information about your specific situation.

★ COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Enroll new family member(s) in TRICARE (active duty), TRICARE Reserve Select (Reserve members) or other health insurance plan. Review the handout "TRICARE Overview" for more information.
- If your spouse is employed and also has health insurance (OHI or "other health insurance"), arrange coordination of benefits with TRICARE or other insurance carrier.
- Enroll new family member(s) in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.
- Review the "Survivor Benefits Overview" handout for more information on financial resources available to eligible dependents.

★ SAVING AND INVESTING

- 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.

★ COMMUNICATION

- Assess your financial communication. On a scale of 1 – 4, with 1 = poor and 4 = very good:

1	2	3	4	Discussions about current assets, including savings and investments
1	2	3	4	Discussions about current debts
1	2	3	4	Discussions about current spending habits
1	2	3	4	Discussions about long-term financial goals like home ownership, college savings for children, and retirement.
1	2	3	4	Awareness of household finances (If one spouse is responsible for paying bills, saving, and investing, is the other informed about financial choices and the household's overall financial condition?)
1	2	3	4	Agreement on a "spending threshold" (i.e., an amount above which purchases can only be made with mutual consent).
1	2	3	4	Regularity of financial reviews (Do you put it on the calendar to make sure it happens?)

- Complete the “My Rating as a Money Manager?” and “Financial Values” handouts. Fill out the inventories individually, then compare and discuss your results.

Additional notes: _____



ADMINISTRATIVE TASKS

- Obtain an original copy of your marriage certificate. Make sure to get several official copies. You will need them to change your name on your Social Security card, driver's license and passport.
- Obtain birth certificates (and Social Security cards, if available) for your new spouse and any dependent children.
- If you or your spouse changes his or her name, update Social Security records and other forms of identification (driver's license, passport, military ID, etc.) to reflect the change. Update Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) to reflect your new marital status and add your dependents. Bring your marriage certificate; your spouse's birth certificate, Social Security card, and photo ID; and/or your child's birth certificate or adoption papers to the nearest DEERS/RAPIDS office.
- Obtain ID cards for your spouse and any dependent children.
- Check your Leave and Earnings Statement (LES) after DEERS updates.
- Seek out the Navy COMPASS course for new spouses on your base.
- Seek out and take advantage of financial workshops at the FFSC.

Additional notes: _____

CFS/PFM Printed Name

Counselor Printed Name

Signature

Date

Signature

Date



Marriage

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Marriage* course is comprised into seven parts:

1. **Introduction and Agenda**
 - Welcome
 - Facilitator Introduction
 - Review of Agenda
2. **Communication**
 - Topics to discuss with new spouse
 - Communication Handouts
3. **Administrative Tasks**
 - Important documents to obtain and update
 - DEERS
 - LES considerations
4. **Financial Planning**
 - Spending plan
 - Emergency fund
 - Banking
 - Paying bills
 - Credit and debt
 - Retirement
 - Survivor benefits
 - Education benefits
5. **Insurance**
 - Medical and Dental Insurance
 - Property Insurance
 - Life Insurance
 - Life Insurance Needs Calculator
6. **Estate Planning and Taxes**
7. **Wrap Up 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: Update personal spending plan. Understand changes in basic pay and allowances as a result of the birth of a child. Be able to develop a spending plan that accounts for necessities and child care.
- 2. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELO: Understand how to update federal and state withholding as needed.
- 3. TLO:** Recognize and understand how to protect against misleading consumer practices, and report consumer complaints.

ELOs: Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Be able to access and read a credit report to identify potential fraudulent activities. Understand credit fraud and the process for placing alerts and freezes on accounts. Know which federal agencies support consumer protections and how to find information.
- 4. TLO:** Understand education financing, to include available benefits, obligations, and repayment options.

ELOs: Be able to assess the cost of educational programs. Know a variety of education benefits available to Service members and families. Understand general information on various financial aid options such as grants, scholarships and loans. Understand the value of saving early. Identify, compare and contrast educational saving programs.
- 5. TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
- 6. TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.

ELOs: Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the need to update insurance levels and premiums to cover liabilities. Understand benefits of flexible spending accounts.
- 7. TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, power of attorney, etc.).

ELOs: Understand estate planning considerations. Know why it is important to update estate planning documents and beneficiaries.
- 8. TLO:** Discuss TRICARE options and costs.



ELOs: Know how to add or remove dependents to/from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review benefits and costs of various health insurance options. Know which health care benefits will be used for varying scenarios.
- 9. TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
- 10. TLO:** Recognize the importance of and be able to develop savings and an emergency fund.

ELOs: Understand the importance of starting and maintaining emergency savings. Know how to set emergency savings goals. Know various methods and modes for keeping emergency funds. Know how to assess how much should be kept in an emergency fund. Be able to set guidelines for starting and replenishing an emergency fund.

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 needed:

- Projector/screen
- *Marriage* course PowerPoint slides
- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils

Forms and Handouts:

- *Marriage* Checklist
- *My Rating As a Money Manager* Handout
- *Financial Values* Handout
- *Spending Plan Worksheet* Handout
- *Major Purchases* Handout
- *5 Rules of Buying a House* Handout
- *Military Retirement* Handout
- *Thrift Savings Plan* Handout
- *Education Benefits and Savings* Handout
- *TRICARE Overview* Handout
- *Estate Planning* Handout
- *Understanding Credit* Handout
- *Sources of Help for Military Consumers* Handout
- *Military Consumer Protection* Handout
- *Survivor Benefits Overview* Handout
- *Paying off Student Loans* Handout

IV. CONTENT



SLIDE 1

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 organize your finances to adjust to your new life as a married person.



SLIDE 2

Agenda

To help you optimize your finances for married life, I'll discuss **Communication, Administrative Tasks, Financial Planning, Insurance, Estate Planning and Taxes**. This class, along with the Checklists and Handouts we'll discuss, will help you set goals, establish priorities, and develop a family financial action plan.

Please remember that you can meet with a PFM and attend classes at your local installation family service center to learn more about marriage and money. Some of these classes are "Developing Your Spending Plan" and "Family Financial Planning."



SLIDE 3

Communication



INSTRUCTOR NOTE: *My Rating As a Money Manager and Financial Values Handouts*

Communication is an important part of any relationship. That's especially true when it comes to effectively managing money as a married couple. Money is the primary stressor in a marriage and the number one issue couples disagree and argue about. So, it's important to have open and honest communication up front.

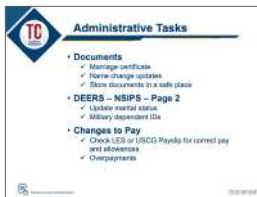
Set aside time to discuss finances with your fiancé or spouse.

Talk about your:

- **Current financial situation:** Review your various bank and investment accounts, your debts, and your income.
- **Financial goals:** These goals might include paying down debt, buying a home, saving for retirement or for college tuition.
- **Spending:** In addition to reviewing your regular monthly expenses, talk about your spending habits when it comes to flexible expenses like entertainment, dining out and clothing. Work toward creating a budget that both of you are comfortable with.
- **Saving and investing:** With your goals in mind, reach an agreement on how much money you want to put away each pay period or month to strengthen your financial situation. You should also discuss your attitudes about how much risk you would be comfortable taking, and whether you want to use a financial advisor or take a do-it-yourself approach.

Your goal is to avoid tension tomorrow by getting on the same page today. You can get on the same page using some of the Handouts we're providing today. One is called *My Rating As a Money Manager*. The other is the *Financial Values Worksheet*.

A great way to start your discussion is for each of you to complete the Handouts separately. Then you can compare your results and come to an agreement on your financial philosophy as a couple as you move forward together.



SLIDE 4

Administrative Tasks



INSTRUCTOR NOTE: *Marriage* Counselor Checklist

Reorganizing your finances for married life starts with some administrative tasks. Let's take a look at what you need to take care of.

Documents

First, you'll need to get a variety of documents in order. These are all listed on the *Marriage* Checklist.

Start by getting original copies of your marriage certificate. Obtain several official copies. You'll need to present them in various places to update your marital status. Official copies are often embossed or stamped in some way.

Keep in mind, a marriage certificate is not the same thing as a marriage license. In many places, marriage certificates are issued by the county clerk's office in the place where you held your ceremony.

If your spouse is foreign-born, you may be eligible for reimbursement for some of the expenses of applying for U.S. citizenship. To see if you qualify, contact your Admin or Personnel office.

If you or your spouse are changing names, update your Social Security record and other forms of identification, such as your passport and driver's license as well as bank, credit and other financial accounts.

This is also a good time to make sure you have official copies of birth certificates and Social Security cards for your spouse and any dependent children. Your Legal Services Office can help you with other changes, such as updating the titles to your vehicles and real estate deeds.

DEERS

Another important step is updating DEERS, Navy Standard Integrated Personnel System (NSIPS) and your Page 2 to change your marital status and add your spouse and any other new family members that are joining you from the marriage. When you go to the DEERS/RAPIDS office, bring your marriage certificate, your spouse's birth certificate, Social Security card and photo identification. If you're adding children, bring their birth certificate or adoption papers and Social Security card. After you've updated DEERS and your Page 2, obtain military dependent ID cards for your spouse and any dependent children. Kids under 10 generally don't need a card and won't be issued one.

Changes to Pay

After you've updated DEERS, take a good look at your LES or USCG Payslip to make sure the changes are reflected in your pay and allowances. Keep an eye out for overpayments. Money paid to you in error will be recollected. Don't spend it.

INSTRUCTOR NOTE: It might take time for their LES or USCG Payslip to update depending on when the system processes the marriage. Members need to check with their admin office to ensure spouse is entered into the Page 2. Members will be retro paid from the date of the marriage regardless of when it processes.



SLIDE 5

Financial Planning



INSTRUCTOR NOTE: *Spending Plan Worksheet, Major Purchases, 5 Rules of Buying a House Handouts*

With the basic administrative chores out of the way, let's turn to financial planning. The first thing to consider is your spending plan. Let's take a look at the *Spending Plan Worksheet*.

Spending plan

It's a good idea to create a new spending plan for your new household. A spending plan is a way to map out all your current income and expenses, including everything from bills and debt payments to retirement plan contributions. We have provided the Spending Plan Worksheet to help you get started.

In addition to giving you a clear picture of where you stand, a spending plan also lets you set goals for how you use your money each month. For example, you can plan to decrease spending on some items, and use the extra money to pursue goals such as paying down debt or saving for the future.

Track your performance against your goals and communicate regularly with your spouse about your progress. Schedule an appointment with a CFS or PFM to help with your spending plan.

Housing and Transportation

As a critical part of your spending plan, you will need to analyze your current housing and transportation needs. You and your new spouse need to decide where you would like to live.

Do you want to live in base housing or in the community? Do you want to rent or buy? Either way you need to connect with your base Housing Services Office to discuss your family's needs and update your marital status. They provide information about both military and community housing options. You can also access *homes.mil* for options.

Emergency Fund

Everyone should have an emergency fund. This is money that's kept in a low-risk account, such as a savings account. It should be an account that you can access easily and without any penalties in case you have an emergency. The idea of an emergency fund is having some cash on hand, so you don't have to take on expensive credit card debt when surprise expenses pop up.

How much should you have in your emergency fund? Experts generally say it should be equal to 3 to 6 months of your regular expenses.



ACTIVITY: Ask attendees to think of some examples of unexpected expenses that an emergency fund could help cover. Answers may include: vehicle repairs, home repairs, insurance deductibles, appliance replacements, travel on short notice, spouse loses job.

Banking

You should also review your banking and credit card arrangements. Talk with your spouse about whether you want to consolidate separate bank or credit card accounts into one that you share.

Some spouses keep separate accounts. Others have separate accounts but put both spouse's names on each one so they can access and view as needed. Others prefer to have one joint account. There is no right or wrong way to manage your income. Find and use the system that works best for you.

While you're at it, this is a good time to consider moving to a new bank or credit union. With some shopping around, you may find an institution with lower fees, and better interest rates on savings accounts and credit cards.

Paying Bills

You should also figure out your system for paying bills. Who will pay the bills? Will you divide them or combine them? Late payments can put a big dent in your credit score, so it pays to stay on top of things. Consider paying bills through an automatic withdrawal from a checking or savings account.



SLIDE 6



Credit and Debt

INSTRUCTOR NOTE: *Understanding Credit, Sources of Help for Military Consumers, Military Consumer Protection Handouts*

Making smart decisions about debt and credit will have a huge impact on your financial success in life.

Before we get started with the fundamentals of credit and debt, it's important to be a smart consumer. Protect yourself and your family from identity theft, and take advantage of laws intended to help Service members like the Servicemembers Civil Relief Act and Military Lending Act. The *Military Consumer Protection* and *Sources of Help for Military Consumer Handouts* are both great resources for you to review.

Understanding Credit

At annualcreditreport.com, you can request a free copy of your credit report from each of the three major credit bureaus. Your credit report shows all the current credit accounts that are open in your name, as well as your history. Everyone, including civilians, is entitled to a free report once a year from each bureau. Both you and your new spouse should obtain your individual reports.

When you get your reports, look at them carefully and report any errors you find. You may find debts you didn't realize you still owed. Speak to a financial counselor if you do.

Your credit report is different from your credit score. Your credit score is a number between 300 and 850. It tells lenders how good a risk you are. A score above 670 is considered to be a good risk.

If your score is too low, you may have a hard time being approved for loans or credit cards. The higher your score, the better chance of being approved and the lower your interest rates will be.

There are five key factors that drive your score. Approximately 65% of your score comes from your payment history and the amounts owed. Be sure to make all your payments on time and to avoid carrying large balances. On credit cards, avoid carrying a balance that's larger than 30% of your credit limit. It is better to pay your credit cards in full every month.

INSTRUCTOR NOTE: Attend a "Credit Management" class at your local installation family service center to learn more about credit.

INSTRUCTOR NOTE: Refer learners to Financial Planning section of *Marriage Checklist*.

Managing Debt

Managing debt smartly boils down to two things: being careful with how much debt you take on in the first place, and taking a deliberate approach to how you pay it off.

If debt reduction is a goal, here are some strategies to help you do it efficiently.

- First, if you have multiple debts, you should generally start by first paying down the debt that has the highest interest rate.
- Look for opportunities to transfer your debts to lenders that will charge you a lower interest rate (avalanche).
- As you eliminate a debt payment, use that extra money to start attacking the next debt.

There are a few rules to help you avoid taking on too much new debt.

- Try to keep your total housing cost to no more than your BAH or 25% of your gross income. Gross income is your income before taxes.
- Your vehicle payments shouldn't be more than 15% to 20% of your gross income.
- Your total debt – mortgages, car payments, credit cards and other loans – should be less than 36% to 43% of your gross income.
- Paying credit cards in full every month will prevent the credit card revolving debt trap.



SLIDE 7



Retirement

INSTRUCTOR NOTE: *Military Retirement and Thrift Savings Plan Handouts*

Military Retirement Systems

First, let's take a look at the *Military Retirement* Handout and review the benefits of the two main military retirement systems: Legacy and Blended Retirement System (BRS). Briefly discuss the information on the *Military Retirement* Handout noting the key differences such as pay formula multipliers, matching TSP, Continuation Pay and Lump-Sum Options.

Retirement is one of the most important goals any of us here will save for. It's also one of the most expensive. Unlike other goals, we typically don't get a second chance to get this one right.

Review Retirement Savings Goals

Start by deciding how much you'll save for retirement over the next year. The more you save, the better. As a starting point, many experts recommend that you save at least 10% - 15% of your gross income.

Next, think about where you will save. The Thrift Savings Plan is usually a good choice. Spouses may have a retirement plan of their own at work. As you evaluate where to direct your retirement money, consider:

- If the employer matches your contributions. Under the BRS, your contributions up to 5% of base pay to the TSP are matched after two years of service.
- How quickly you become vested in those employer contributions. Vesting means when the money that the employer chips in becomes yours. For example, you are vested in the TSP after two years of service.

Then you'll have to decide how you will invest. An important driver with this decision is how much risk you're comfortable taking. How will you react if there's a bear market and your balance goes down 20%?

Thrift Savings Plan

Be sure to review your beneficiary designations on your Thrift Savings Plan and update them as needed – for example, listing your spouse. You should also review your investment choices and consider increasing your contribution rate.

Additional Retirement Savings Options

In addition to the Thrift Savings Plan, your spouse may have a retirement plan of their own. That might be a 401(k) – which is similar to your TSP. Teachers and other public employees might have a retirement account called a 403(b). If their employer matches their contributions, it is recommended they contribute enough for the full match.

Individual Retirement Accounts, or IRAs, are an option as well. Like the TSP, IRAs come in both Traditional and Roth versions. Traditional IRAs have the potential for an up-front tax break. Qualified withdrawals from Roth IRAs are income tax-free.

You should also review and update the beneficiaries on any IRAs you have.



SLIDE 8

Other Benefits

INSTRUCTOR NOTE: *Survivor Benefits Overview, Education Benefits and Savings, Paying off Student Loans Handouts*

Survivor Benefits Elections

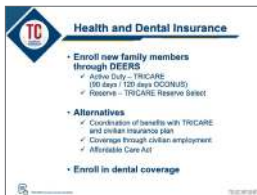
Use the *Survivor Benefits Overview* Handout to familiarize yourself and your spouse with resources they may have available to them if you die on active duty.

INSTRUCTOR NOTE: Briefly review the Handout together. At a minimum discuss the items on the slide (military death gratuity, SBP and DIC).

Education Benefits

One of your goals might be getting a college degree. The *Education Benefits and Savings* Handout can help orient you to the many programs that can make college more affordable for Service members and veterans.

INSTRUCTOR NOTE: Briefly review the Handout together. At a minimum discuss the items on the slide (tuition assistance, GI Bill and repayment options).



SLIDE 9

Health and Dental Insurance



ACTIVITY: “What is Insurance?”

Insurance exists to protect us against a variety of different financial risks. Marriage is an important time to review your protection plan.



INSTRUCTOR NOTE: *TRICARE Overview Handout*

Health and Dental Insurance

Start with health and dental insurance. In general, you’ll want to make sure everyone’s covered. If you and your spouse each have health insurance through your own employers, you may have an opportunity to put both of you on the same plan.

Enroll New Family Members Through DEERS

If you have TRICARE or TRICARE Reserve Select, enroll your new family members in the program. Don’t put it off. You normally have 90 days from your marriage to make the change. If you’re overseas, you have 120 days.

If you have TRICARE Reserve Select, it's important to ensure continuous, regular payments. Irregular drill pay can cause you and your family members to be dropped from the program until the next open enrollment.

Only sponsors can add family members in DEERS. You have to do it in person or have the original signed form for your spouse to use. You can set up an appointment at rapids-appointments.dmdc.osd.mil.

We have a *TRICARE* Overview Handout and you can visit tricare.mil for more information.

Alternatives

If your spouse has civilian health insurance, TRICARE pays after your other plan pays first, with some exceptions. Make sure both TRICARE and your private insurer know about all of your coverages so they can properly handle the coordination of benefits.

For reserves, if you have coverage through civilian employment, review your coverage. As you compare plans that are available to you, compare features like deductibles, copays, prescription benefits and the cost of in-network and out-of-network services. If you don't qualify for TRICARE and don't have employer coverage, the Affordable Care Act may offer a way to purchase insurance. You can learn more at healthcare.gov.

Enroll in Dental Coverage

Once you have enrolled your new spouse and other family members into DEERS and TRICARE, you will need to also enroll them into a dental coverage plan.



SLIDE 10

Property Insurance

This is a good time to review and update your current insurance policies.

Auto

Auto insurance may offer an opportunity for savings. Rates are often lower for married couples. Thanks to multi-car discounts, it's often cheaper to have both spouse's vehicles covered on the same policy. It's also easier to manage.

Property

Now is a good idea to review your property insurance. This includes homeowners, renters, or other high-value personal property that you want to insure like jewelry, electronics, firearms, etc. If your spouse is bringing a pet into the household, make sure your insurer knows.

If you're renting, understand that your landlord's insurance protects the building but doesn't cover your stuff. That's why renters insurance is very important.

Property insurance doesn't only cover possessions, it also protects you from liability claims, like someone falling down your stairs and hurting themselves. Liability coverage also protects you for many liability claims that happen away from your property. You can get extra liability insurance by purchasing what's called an "Umbrella" policy.



SLIDE 11

Life Insurance

Life insurance offers protection for your family in the event of your death. It helps prevent financial hardship for your loved ones.

Servicemembers' Group Life Insurance (SGLI)

You're automatically insured for \$400,000 unless you decline coverage or choose a smaller amount. Be sure to update your new spouse as the beneficiary.

Reserve members assigned to a unit scheduled to perform at least 12 periods of inactive duty creditable for retirement purposes can purchase full-time SGLI coverage that is in effect 365 days of the year.

Family Servicemembers' Group Life Insurance

Family SGLI offers coverage for spouses and dependent children of Service members who are covered by full-time SGLI. You can get up to \$100,000 in coverage for a spouse – not to exceed your own SGLI coverage. Each dependent child is automatically covered for \$10,000 when they're enrolled in DEERS.

Even when spouses don't have jobs, losing their contribution to the household could have a big financial impact, particularly if you have children and you'd need to hire additional help taking care of them.

You can update SGLI and FSGLI online using the **SGLI Online Enrollment System (SOES)**. Sign in to *dmdc.osd.mil/milconnect* and go to the Benefits tab.

Private Life Insurance

Review private life insurance coverage and update beneficiaries as needed. Keep in mind your Will does not overrule your beneficiary designations. That means if an ex-spouse is listed as a life insurance beneficiary and you die, the ex-spouse will get the money no matter what your Will says.

If you're looking for more life insurance, there are two main types: **term** and **permanent**. Think of term insurance as temporary coverage that lasts for a certain period of years. Permanent insurance is designed to last your entire life. Permanent insurance costs more, but also builds cash value. Term gives you the most coverage for your dollar right now.

Watch out for policy exclusions. These are things that are not covered such as war clauses or other restrictions you may not have known about.

SLIDE 12

Life Insurance Needs

INSTRUCTOR NOTE: Remind learners that this life insurance needs analysis tool is in their *Marriage Checklist*.

Here's a simple way to calculate your life insurance needs.

- Liabilities are debts you would like to pay off, such as a mortgage, car loans or credit cards.
- Next, think about how much of your annual income you'd like to replace. Multiply that by the number of years. So, if you want to replace \$20,000 of income for 25 years, that's \$500,000.
- Then come up with how much to set aside for funeral and other final expenses.
- Finally, think about the money you'd like to provide for your survivors' education and other goals.

After you've added it all up, subtract SGLI and other coverage you already have plus assets and benefits available at your death.

If you want to buy additional coverage, avoid accidental death insurance. You should be looking for life insurance, which generally covers any cause of death (other than a suicide in the first two years of the policy).



SLIDE 13

Estate Planning and Taxes



INSTRUCTOR NOTE: *Estate Planning* Handout

Estate planning means making preparations so your wishes for your survivors are carried out if you die or become incapacitated. As you get married, it's important to think about estate planning to make things easier on your spouse and family if something happens to you.

Estate planning can include things like:

- Writing a Will.
- Giving your spouse a “power of attorney,” which lets them handle transactions on your behalf.
- Creating a “Living Will” or medical directive that gives legal instructions about your preferences for medical care.
- Establish a trust. A trust is a legal agreement that allows a third party—a trustee—to hold and direct assets in a trust fund on behalf of a beneficiary.
- Titling your assets, which means selecting ownership arrangements for those accounts that make it easier for your survivors to inherit them.
- Determining a home of record and/or state of residence. State laws will dictate how your will is handled in probate as well as which state inheritance or estate taxes might apply to your assets.

Your military legal service office can help you create and update these documents and make informed decisions.



SLIDE 14

Taxes

Review Your New Tax Situation

Getting married can affect your income taxes. Review your new tax situation and change your federal and state withholding as needed.

At [irs.gov](https://www.irs.gov), there's a tax withholding calculator that can help you figure out how to set up your withholding. Then you can make the change at mypay.dfas.mil.

Residency Issues

Your **residency** also affects your taxes. Some states have lower income taxes than others, and some states have no income tax at all. You'll generally be considered a resident of your home of record state, which is the state where you were living just before you joined the military.

The Military Spouse Residency Relief Act (MSRRA) protects tax, voting and property rights of military spouses. Civilian spouses can keep their legal residence if they move because their military spouse is transferred from the state.

The Veterans Benefits and Transition Act of 2018 allows military spouses to elect to use their Service member's state of legal residence for state and local taxes. In the past, a spouse may have had to file a different state tax return because they had split legal residences. For example, a Service member with a legal residence of New York moves to Virginia and marries a person with a legal residence from that state. Our military spouses can now elect to use the legal residence of the military member for purposes of filing their state and local taxes.



SLIDE 15

Summary

Congratulations on Your Marriage!

It's important to talk about financial goals with your spouse so you can work together to meet them. Let's recap what you learned.

- Communication
- Administrative Tasks
- Financial Planning
- Insurance
- Estate Planning and Taxes

Be sure to check out your service's new spouse course offered to help introduce your new spouse to your military family.

You can receive personal pre-marital and marriage counseling at your local installation service center. Additionally, counseling is available through Military OneSource or CG SUPRT.



SLIDE 16

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 Sense app or the MyNavy Financial Literacy mobile app for assistance with a variety of personal finance issues.



SLIDE 17

Thank You!

Thank you for participating, and I wish you and your spouse a very happy and financially secure future.

CFS Preparation: Distribute and discuss the Marriage 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 we will have a conversation about handling finances in marriage. The goal of our discussion is to improve your understanding of personal finance as newlyweds. Together we will be watching videos to aid in the facilitation of sharing information and creating dialogue to ensure a financially healthy relationship.

Play Video 1



Introduction

CFS Intro: Honesty and communication are key when the topic of money arises. Keep in mind that you and your spouse may have differing views on how money should be spent, saved, and invested. The worksheets you have been provided are very useful as a guide to clarify and understand each other's perspectives on money management.

Play Videos 2 & 3

Discussion Questions

1. What are some aspects of money management you believe couples have a hard time discussing?

CFS Talking Points: Examples include: shopping, gambling, secret savings, joint vs. separate accounts, spending habits, or giving to family/charity



2. Communication

2. What are good practices for having positive, productive financial conversations?

CFS Talking Points: Monitor emotions as they can quickly go into overdrive, honesty, don't press blame, focus on solutions, listening actively, compromise willingly



3. Transition to Documents

3. What would be a good setting or time for couples to discuss their finances?

CFS Talking Points: The ideal environment is when both parties are relaxed and not under stress. Be intentional about setting time aside on a regular basis to discuss finances, such as a weekly or monthly meeting time. Try to avoid times when emotions are elevated.

Knowledge Check

Question: Where can new spouses get information on understanding and integrating into the military lifestyle?

Answer:

- Air Force: New Spouses should visit their local Airman & Family Readiness Center and sign-up for the Heartlink workshop. General information about services can be found at: <https://www.afpc.af.mil/Benefits-and-Entitlements/Personal-and-Work-Life/>

- USMC: Visit Marine Corp Family Team Building (MCFTB). Other programs including Family Member Employment Assistance Program (FMEAP), Exceptional Family Member Program (EFMP) and Information & Referral (I&R) provide great information for spouses. The L.I.N.K.S. for Spouses Workshop. Marine Corps provides information and opportunities for networking, information about local resources and opportunities.
- Navy: Applocker.navy.mil will help spouses gain valuable apps to navigate Navy Life. MyNavy Family 2.0 is the first tool by the U.S. Navy developed for Navy spouses and Sailors' families that combines authoritative information from about two dozen websites into a single application. Go to https://www.navy.mil/cno/docs/NO_Family_Framework_2019.pdf for the complete manual.
- USCG: A USCG spouse can contact their unit ombudsman for information. A spouse may submit a "contact your ombudsman" email to cgombudsmanregistry.org or contact their local HSWL ombudsman coordinator.

PART 2: Marriage Documents

CFS Intro: Marriage comes with paperwork. Now that you've made your nuptials official it's time to take the next step. This section will explain the documents required to enroll your new spouse and dependent children into the military network.

CFS Info: Have current Bldg. #, POC, and office hours for DEERS office and Military Personnel Office

Play Videos 4 & 5



4. Marriage Documents, Pt.1

1. What are ways to keep important documents organized and available when needed?

CFS Talking Points: Ensure you have original copies; have a file folder to store documents; label documents accordingly in file folder; immediately return documents to folder after use; keep in a safe or secure location at home while not using; be sure not to pack in unknown boxes when moving — carry with you.



5. Marriage Documents, Pt.2

2. How can you be proactive in keeping records up to date and who can help when you as the Service member has to deploy?

CFS Talking Points: Use the marriage checklist as your guide of what you need to accomplish to incorporate your new spouse into the military system. Take the time after getting married to update documents. Follow up with the organization if you don't receive documents in a timely manner. Don't use the excuse of, "you'll get to it later," as time goes by quickly. You will get busy with your new life and work. Communicate with your immediate chain of command if you have a need during work hours to take care of these administrative tasks.

Being prepared can eliminate a lot of stress for the Service member and spouse. You won't have to rush around last minute trying to finalize everything before you leave. You can mentally prepare for leaving and spend quality time with your spouse.

Knowledge Check

Question: What documents are needed to enroll your new spouse and dependent children (if applicable) into DEERS?

Answer: Marriage certificate, birth certificate(s), Social Security cards, adoption court documents, two forms of identification

Question: What are official documents that may need to be updated after marriage if either spouse changes their names?

Answer: Military ID, driver license, Social Security card

Question: At what age do dependent children need a Military ID?

Answer: 10 years old

PART 3: Financial Planning

CFS Intro: Financial Planning as a new couple will include managing credit, budgeting, and banking. Remember the communication tips we discussed earlier as you dive into these topics together.

Play Videos 6, 7 & 8

Discussion Questions

1. How does being on the same page with your spouse financially benefit your relationship?



6. Transition to Financial Planning

CFS Talking Points: Being on different pages financially can cause stress, hardship, and lead to mistrust and create arguments in the marriage. You want to minimize these misfortunes in your marriage. You are two potentially very different people combining your lives. You will have differences and disagreements but having open communication will help you reach agreements with the ultimate goal of creating a financially secure future for your family. When a couple works together as a team instead of against each other they realize their goals and are able to achieve them in a shorter time period. Have regular conversations to keep each other accountable and on track. Adjust as necessary and keep moving forward.



7. Spending Plan

2. What are ways that you and your spouse can track expenses?

CFS Talking Points: Keep receipts, budgeting app (shared or separate), envelope system using cash, notes app, bank account software, spreadsheets



8. Emergency Funds

3. What spending items do you and your spouse currently have where you feel you will need to make adjustments/compromises while building your family financial plan?

CFS Talking Points: Personal shopping to include: clothing, shoes, electronics, video games, in-app purchases, alcohol, cigarettes, vapes, dining out, energy drinks, coffee, supplements, etc. Large expenses: car payment, mortgage, rent, boat, family support, storage unit, etc. Other expenses: subscriptions, gym membership, child allowances, entertainment, etc.

4. Who will pay the bills in your relationship? How/why did you come to this decision?

CFS Talking Points: This is one part of the conversation of basic household logistics. This also includes things like taking out the garbage, cleaning the bathroom, and grocery shopping. Sit down and discuss who will pay the bills or if this will be a combined effort. One recommendation will be to automate bill payments to ensure they are made by the due date to avoid late payments and fees. If one partner has a history of money mismanagement, clarify the importance of bills being paid on time and decide if the other partner should take on this responsibility.

5. What are the pros/cons of opening joint accounts?

CFS Talking Points: (Pros) transparency in spending, one main account to monitor (simpler), requires discussions on spending items and amounts, can build trust
(Cons) two people spending from same account can cause problems if not communicating, arguments may arise from disagreements on spending, feelings of loss of independence

Knowledge Check

Question: What are examples of cash inflows?

Answers: Paychecks, gifts, proceeds from sales, and tax refunds

Question: What are general recommendations for saving and investing, housing expenses, and vehicle expenses in relation to your income?

Answer: Saving and investing at least 10%-15% of pretax income; housing no more than 25% of pretax income; vehicle expenses no more than 15%-20% of pretax income

PART 4: Credit Reports and Scores

CFS Intro: Working to understand credit reports and scores always brings up questions. Let's take a closer look at the video which addresses common misunderstandings and need-to-know information.

Play Video 9

Discussion Question

Why should you still be concerned about your partner's credit information since credit reports and scores are not combined when you get married?



9. Credit

CFS Talking Points: Examples may include: if you apply for a vehicle loan together; if you apply for an apartment or home loan together the lender will want to check both parties' credit reports and scores. If you or your spouse has a poor credit rating it can affect approval as well as the interest offered. Creditors may have access to joint accounts to collect past debts. Wages can be garnished for certain debts owed.

Knowledge Check

Question: Which credit reporting agency is required by law to provide you a copy of your report each year?

Answers: All three credit reporting agencies — Equifax, TransUnion, and Experian. Order at annualcreditreport.com.

Question: The FICO score, which is the most commonly used credit score, ranges from 300 to 850. What do lenders generally consider a good score?

Answer: Above 660

Question: What part of your FICO score has the largest impact?

Answer: Payment history which is 35% of your score

PART 5: Bank and Estate Planning

CFS Intro: Continue the money conversations. You and your spouse will want to discuss your retirement accounts by discussing beneficiaries and updating as necessary. Additional considerations for discussion include credit card accounts, and assets such as vehicles and other property. You will want to decide if combining them is possible and/or makes good financial sense. Additionally, you will want to protect your valuable assets including yourself, and property through different types of insurance.

Play Videos 10, 11 & 12

Discussion Questions



10. Banking

1. What are ways to approach the beneficiary conversation with your spouse?

CFS Talking Points: Set up a specific time when you and your spouse can review all accounts. Set the expectation that this is specifically what you will be talking about so it will not be a surprise to either person. Minimize distractions. Have an open, honest conversation when deciding together who will be beneficiaries for retirement accounts, life insurance, investment accounts, etc. Keep in mind that for some it is culturally expected to have family members such as mom, dad, brother or sister as beneficiaries. You or your new spouse may have to have this conversation of whether this will continue or change now that you are married.



11. Financial Plan Wrap & Transition to Insurance

2. What examples in the video made you consider if your insurance coverage was sufficient?

CFS Talking Points: Remember to review/update policies: homeowners/renters, property insurance, liabilities that may need an additional policy such as umbrella coverage



12. Health and Property Insurance

Knowledge Check

Question: TRICARE offers what other type of insurance — in addition to health coverage — for your spouse and dependent children?

Answer: Dental insurance — has a monthly premium and shared cost on some dental procedures. Enrollment is not automatic.

Question: From the video, what was the recommendation for life insurance coverage?

Answer: Remember the acronym LIFE (Liabilities, Income, Final expenses, Education). Your coverage should equal more than these things combined.

Play Video 13



13. Life Insurance

CFS Conclusion: Remember that you can speak with a Financial Counselor on base if you have questions or concerns regarding the financial considerations of your new marriage.

CFS Info: Will need contact information for Financial Counselor and other available resources relevant to married couples



Marriage Presentation





1

Agenda

- **Communication**
- **Administrative Tasks**
- **Financial Planning**
- **Insurance**
- **Estate Planning and Taxes**

TOUCHPOINT

2



Communication


- **Discuss with your new spouse**
 - ✓ Current financial situation
 - ✓ Financial goals
 - ✓ Spending
 - ✓ Saving and investing
- **Financial assessments and Handouts**
 - ✓ Marriage Checklist
 - ✓ My Money Manager Handout
 - ✓ Financial Values Handout
- **Complete independently and compare results with spouse**



My Rating As a Money Manager and Financial Values Handouts Available


TOUCHPOINT

3



Administrative Tasks


- **Documents**
 - ✓ Marriage certificate
 - ✓ Name change updates
 - ✓ Store documents in a safe place
- **DEERS – NSIPS – Page 2**
 - ✓ Update marital status
 - ✓ Military dependent IDs
- **Changes to Pay**
 - ✓ Check LES or USCG Payslip for correct pay and allowances
 - ✓ Overpayments



Marriage Counselor Checklist Available


TOUCHPOINT

4




Financial Planning

- Spending Plan Worksheet
- Housing and Transportation
- Emergency Fund
- Banking
- Paying Bills

 Spending Plan Worksheet, Major Purchases, 5 Rules of Buying a House Handouts Available

TOUCHPOINT

5




Credit and Debt

- Understanding Sources of Help for Military Consumers
- Understanding credit
 - ✓ Credit reports
 - ✓ Credit scores
- Managing debt
 - ✓ Debt reduction
 - ✓ Rules
 - ✓ Seek assistance




Category	Percentage
Payment History	35%
Amounts Owed	30%
Length of Credit History	15%
New Credit	10%
Types of Credit	10%

 Understanding Credit, Sources of Help for Military Consumers, Military Consumer Protection Handouts Available


TOUCHPOINT

6



Retirement


- **Military retirement systems**
- **Retirement savings goals**
- **Thrift Savings Plan (TSP)**
- **Additional retirement savings options**
 - ✓ Civilian employer plans for non-military spouse
 - ✓ Spousal Roth or Traditional IRAs
 - ✓ Review and update beneficiaries



Military Retirement and Thrift Savings Plan Handouts Available


TOUCHPOINT

7



Other Benefits


<h3>Survivor Benefits</h3> <ul style="list-style-type: none">✓ Military Death Gratuity✓ Survivor Benefit Plan (SBP)✓ Dependency and Indemnity Compensation (DIC)	<h3>Education Benefits</h3> <ul style="list-style-type: none">✓ Tuition Assistance✓ GI Bill Benefits✓ Income-Based Repayment Plan
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Survivor Benefits Overview, Education Benefits & Savings, Paying off Student Loans Handouts Available


TOUCHPOINT

8



Health and Dental Insurance

- **Enroll new family members through DEERS**
 - ✓ Active Duty – TRICARE (90 days / 120 days OCONUS)
 - ✓ Reserve – TRICARE Reserve Select
- **Alternatives**
 - ✓ Coordination of benefits with TRICARE and civilian insurance plan
 - ✓ Coverage through civilian employment
 - ✓ Affordable Care Act
- **Enroll in dental coverage**



TRICARE Overview Handout Available

TOUCHPOINT

9




Property Insurance

Review and update your current insurance policies

- **Auto**
 - ✓ Add new spouse
 - ✓ Add additional vehicle(s)
- **Property (homeowners / renters)**
 - ✓ Combine policies
 - ✓ High-value items
 - ✓ Liability claims

TOUCHPOINT

10




Life Insurance

- **Servicemembers' Group Life Insurance (SGLI)**
- **Family Servicemembers' Group Life Insurance (FSGLI)**
 - ✓ Enroll spouse
 - ✓ Children automatically covered when registered with DEERS
- **Private Life Insurance**
 - ✓ Review coverage and update beneficiaries
 - ✓ Term vs. Permanent policies

TOUCHPOINT

11




LIFE Insurance Needs

L liabilities (debts and obligations)	_____
I ncome (amount X numbers of years needed)	+ _____
F inal expenses	+ _____
E ducation and other goals	+ _____
<i>Subtract current coverage and assets</i>	- _____
Your Total Need	<input style="width: 100px; height: 20px;" type="text"/>

TOUCHPOINT


12



Estate Planning

Review and update important documents


- ✓ Will
- ✓ Power of attorney
- ✓ Living will
- ✓ Medical directives
- ✓ Trusts
- ✓ Asset titling
- ✓ Home of record / residency considerations
- ✓ Visit your military legal office for assistance



Estate Planning Handout Available

TOUCHPOINT

13




Taxes

- **Review your new tax situation**
 - ✓ Federal and state tax withholding
 - ✓ Tax withholding estimator (*IRS.gov*)
 - ✓ Visit *mypay.dfas.mil* or Direct Access (USCG)
- **Residency issues**
 - ✓ Military Spouse Residency Relief Act (MSRRA)
 - ✓ Veterans Benefits and Transitions Act of 2018
- **Military OneSource or CG SUPRT**
 - ✓ Free tax software and filing
 - ✓ Professional assistance

TOUCHPOINT

14



Summary


Congratulations on your Marriage!

It's important to talk about financial goals with your spouse so you can work together to achieve them. Let's recap what you learned.



- Communication
- Administrative Tasks
- Financial Planning
- Insurance
- Estate Planning and Taxes

TOUCHPOINT

15




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

16



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 8

Welcoming Your First Child





Welcoming Your First Child

Student Manual



I. INTRODUCTION

A new child changes everything familiar in a household – including the household finances. This course, supplemented with information from the Touchpoint Checklist and referrals to a Personal Financial Manager (PFM), and Installation Family Support Center, can help Service members and families organize their finances efficiently as they work through the many changes that come with having their first child. As a CFS you will use this material as a solution-focused tool to help your Service members 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: Update personal spending plan. Understand changes in basic pay and allowances as a result of the birth of a child. Be able to develop a spending plan that accounts for necessities and child care.
- 2. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELO: Understand how to update federal and state withholding as needed.
- 3. TLO:** Recognize and understand how to protect against misleading consumer practices, and report consumer complaints.

ELOs: Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Be able to access and read a credit report to identify potential fraudulent activities. Understand credit fraud and the process for placing alerts and freezes on accounts. Know which federal agencies support consumer protections and how to find information.
- 4. TLO:** Understand education financing, to include available benefits, obligations, and repayment options.

ELOs: Be able to assess the cost of educational programs. Know a variety of education benefits available to Service members and families. Understand general information on various financial aid options such as grants, scholarships and loans. Understand the value of saving early. Identify, compare and contrast educational saving programs.
- 5. TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
- 6. TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.

ELOs: Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the need to update insurance levels and premiums to cover liabilities. Understand benefits of flexible spending accounts.
- 7. TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, power of attorney, etc.).

ELOs: Understand estate planning considerations. Know why it is important to update estate planning documents and beneficiaries.
- 8. TLO:** Discuss TRICARE options and costs.

ELOs: Know how to add or remove dependents to/from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review benefits and costs of various health insurance options. Know which health care benefits will be utilized for varying scenarios.
- 9. TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
- 10. TLO:** Recognize the importance of and be able to develop savings and an emergency fund.

ELOs: Understand the importance of starting and maintaining emergency savings. Know how to set emergency savings goals. Know various methods and modes for keeping emergency funds. Know how to assess how much should be kept in an emergency fund. Be able to set guidelines for starting and replenishing an emergency fund.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.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>
<https://militarypay.defense.gov/Benefits/Savings-Deposit-Program>
- Consumer Financial Protection Bureau (CFPB) —
<https://www.consumerfinance.gov>
<https://www.consumerfinance.gov/consumer-tools/military-financial-lifecycle>
- Department of Education — <https://www.ed.gov>
- Federal Student Aid — <https://studentaid.ed.gov/sa>
- Blended Retirement System (BRS) — <https://militarypay.defense.gov/blendedretirement>
- Thrift Savings Plan (TSP) — <https://www.tsp.gov>
<https://www.tsp.gov/LifeEvents>
<https://www.tsp.gov/PlanParticipation/AccountManagement/beneficiaries.html>
- Servicemembers' Group Life Insurance (SGLI) —
<https://www.va.gov/life-insurance/options-eligibility/sgli>
- Veterans' Group Life Insurance (VGLI) — <https://www.va.gov/life-insurance/options-eligibility/vgli>
- Medicaid — <https://www.medicaid.gov>
- Medicare — <https://www.medicare.gov>
- HealthCare.gov — <https://www.healthcare.gov/have-job-based-coverage/flexible-spending-accounts>
- Defense Finance and Accounting Service (DFAS)/Survivor Benefit Plan (SBP) —
<https://www.dfas.mil/militarymembers/payentitlements/sdp.html>
<https://www.dfas.mil/retiredmilitary/provide/sbp.html>
- TRICARE — <https://www.tricare.mil> <https://www.tricare.mil/Plans/Eligibility/MedicareEligible>
- Defense Enrollment Eligibility Reporting System (DEERS) — <https://www.tricare.mil/deers>
- Military Health System — <https://health.mil>
- Military Compensation Policy, milConnect — <https://milconnect.dmdc.osd.mil/milconnect>
- Military Compensation — <https://militarypay.defense.gov/benefits/savings-deposit-program>
- Federal Deposit Insurance Corporation (FDIC) — <https://www.fdic.gov>
- National Credit Union Administration (NCUA) — <https://www.ncua.gov>
- USA.gov — <https://www.usa.gov/saving-investing>
- Treasury Direct — <https://www.savingsbonds.gov>
- U.S. Securities and Exchange Commission — <https://www.investor.gov>
- Department of Veterans Affairs (VA) — <https://www.va.gov>
<https://www.benefits.va.gov> <https://benefits.va.gov/gibill>
- Free annual credit report — <https://www.annualcreditreport.com>
- Federal Emergency Management Agency (FEMA) —
<https://www.fema.gov/national-flood-insurance-program>
- Federal Trade Commission (FTC) Consumer Information — <https://www.consumer.ftc.gov>
- milSuite — <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.
DEERS	Defense Enrollment Eligibility Reporting System	Registration in this database is required for TRICARE eligibility and enrollment.
LES	Leave and Earnings Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
PSLF	Public Service Loan Forgiveness	This program forgives remaining balances on Direct Loans for those who have made 120 qualifying monthly payments under a qualifying repayment plan while working full time for a qualifying employer.
SGLI	Servicemembers' Group Life Insurance	Servicemembers' Group Life Insurance offers low-cost term coverage to eligible Service members.
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.
VA	Department of Veterans Affairs	This federal agency provides health and other benefits to eligible veterans and their families.
VGLI	Veterans' Group Life Insurance	Service members who are eligible for Veterans' Group Life Insurance may be able to keep their life insurance coverage after they leave the military for as long as they continue to pay the premiums.

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)

- *Welcoming Your First Child* Counselor checklist
- *Welcoming Your First Child* Counselee checklist

Handouts:

- *Estate Planning* Handout
- *Spending Plan Worksheet* Handout
- *Major Purchases* Handout
- *5 Rules of Buying a House* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* Handout
- *Survivors Benefits Overview* Handout
- *Military Retirement* Handout
- *TRICARE Overview* Handout
- *Education Benefits and Savings* Handout
- *Paying off Student Loans* 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.

- *Welcoming Your First Child* Touchpoint Checklists and Handouts
- *Welcoming Your First Child* PowerPoint (PPT) Training Slides and Instructor Guide (IG)
- *Welcoming Your First Child* Videos and Video Discussion Guides (VDG)

3. Online Training

- *Welcoming Your First Child* course (Navy e-Learning, MyNavy Portal or your service-specific e-Learning site)

VI. ADDITIONAL LEARNING AND ACTIVITIES

Preparing for the birth of your first child can be a joyful time for you and your spouse/family. It will also introduce changes in your spending habits and household finances.

The training materials, Checklists, and Handouts are all about getting your finances ready before having a baby so you can take advantage of educational and counseling opportunities to alleviate financial stress. In addition to the training materials contained in this checklist, the financial counselors at your Installation Family Support Center can provide additional counseling and resources.

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

- Complete the *Spending Plan Worksheet* Handout with current and projected changes in household expenses. Some of these changes may include diapers, formula, child care, etc.
- Review the *TRICARE Overview* Handout to understand what is required to register your new child in the Defense Enrollment Eligibility Reporting System (DEERS).
- Review the Life Insurance Needs graph on page 5 of the *Welcoming Your First Child* Checklist.

Here are some additional courses available:

- Developing Your Spending Plan
- Family Financial Planning
- NMCRS or Other Relief Societies
- Budget for Baby Class
- Paying for College



WELCOMING YOUR FIRST CHILD

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

Your first child changes everything familiar in your household... including the household finances. This checklist, supplemented with information and referrals from the Fleet and Family Support Center (FFSC) staff, can help you organize your finances efficiently as you work through the many changes that come with a new birth or adoption.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview

Use this checklist as a solution-focused tool to help set goals, establish priorities, and develop a family action plan. Space is provided to add local resources and reminders about additional topics.

Counselor: Ask your counselees about their household: Are they married or single parents? Is the Sailor active-duty or a member of the Reserve? Is the child a newborn, a stepchild, or an adoptee? If a stepchild or adoptee, what is the child or children's age(s)? Has the Sailor made child care arrangements and if not, what options are they considering? Answers to these questions can help you prioritize discussion topics, provide resources, and make referrals.



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 the counsees the concepts of paying yourself first, automating savings, and keeping their emergency fund in a separate account. Remind counsees they can make saving 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.

Counselor: Speak with counsees about planning for maternity/paternity leave and the potential change to income. Also discuss the upfront and recurring costs that come with a newborn or young child: crib, stroller, car seat, diapers, clothing, etc. For information about the Navy's parental leave policy see https://www.public.navy.mil/BUPERS-NPC/SUPPORT/21ST_CENTURY_SAILOR/TFLW/Pages/.

Remind them to be smart shoppers, looking for bargains on used and refurbished items as well as new ones. Suggest they consider the Navy Marine Corps Relief Society Thrift Store for baby items and utilize resources from the Bundles for Baby class on their base. (Provide information about the schedule and registration procedure.)

- 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: Tell counsees that they may be dealing with many new creditors, which increases their exposure to billing errors and identity theft. Also remind them children are a favorite target of identity thieves, who sometimes commit fraud under a child's assumed identity for many years without being detected. Remind counsees that they can get a free copy of credit reports from the personal financial counselor/educator (PFM/E) at the FFSC. The PFM/E can also help them interpret their reports and discuss what they need to do to improve their scores.

- Review your new tax situation and change federal and state withholding as needed via mypay.dfas.mil. Reserve members will need to do this with their employers as well.

Counselor: Remind counsees that for additional help, they may wish to consult with a PFM/E at the FFSC or the on-base Volunteer Income Tax Assistance (VITA) office.

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.

Additional notes: _____



MAJOR PURCHASES

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

Counselor: Remind counsees to speak with financial counselors on their installation to build and review their spending plan before taking on any major purchases. Contact your FFSC for tips on car buying and child safety restraints, if applicable.

- Work with the base housing office for any housing needs related to your new child.

Counselor: Remind counsees that if they are renting a new residence, to be sure their lease contains a military clause.

- Review the "Education Benefits and Savings" and "Paying off Student Loans" handouts to learn more about financing education, available benefits, obligations, and repayment options.

Counselor: Remind counsees that now is the time to start planning and saving for your child's education. Suggest, they research transferability of the Post-9/11 GI Bill benefits. Also, if they have student loan debt, remind them of income-based repayment plans, which might help due to their new family size.

Additional notes: _____



PLANNING FOR THE FUTURE

- Review your retirement savings goals. For more information on components of military retirement and the TSP, refer to the handouts entitled "Military Retirement" and "Thrift Savings Plan."

Counselor: Encourage counsees to visit www.tsp.gov and learn more about investing for retirement.

- 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, then 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 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 counsees 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.

- Review the beneficiaries of your Servicemembers' Group Life Insurance (SGLI). Children are covered by Family SGLI at no cost.

Counselor: Inform counsees that children are automatically covered at \$10,000 as soon as they are registered in DEERS. Also inform Sailor(s) that the SGLI Online Enrollment System (SOES) allows service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office. To access SOES, they must sign into www.dmdc.osd.mil/milconnect and go to the "Benefits" tab, Life Insurance SOES-SGLI Online Enrollment System.

- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.

Counselor: Counsees exposure to property or liability losses might be higher with a child in the household than it was before. For example, new friends may bring their children to the counselee's home. Counsees should be sure they have enough liability insurance to cover injuries to playmates occurring on the counselee's property. Suggest they consider purchasing an "umbrella" or excess liability policy in addition to homeowners or renters insurance.

- Update your auto insurance policies, and ensure coverage is appropriate for your current needs.
- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents.

Counselor: If a counselee does not yet have an estate plan, encourage them to develop a plan with assistance from the base legal office (active duty) or civilian legal services (Reserve; legal services are sometimes available through civilian employers). To help active-duty Sailors learn more about Navy legal services, refer them to www.jag.navy.mil/legal_services.htm. Suggest counselees should seek legal assistance as soon as possible. They should not wait until right before temporary duty (TDY) travel or deployment, when appointments may be difficult to get.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Enroll new family member(s) in TRICARE (active duty), TRICARE Reserve Select (Reserve members) or other health insurance plan. Review the handout "TRICARE Overview" for more information.

Counselor: Note that TRICARE Prime and TRICARE Select require annual enrollment. Counselees may also want to reassess their own TRICARE plan. Refer active-duty Sailors to www.tricare.mil/Plans/HealthPlans. Refer Reserve Component Sailors to www.tricare.mil/Plans/HealthPlans/TRS.

Remind Reservists that they must ensure continuous, regular payments to stay enrolled in TRICARE Reserve Select. Irregular drill pay can cause Service members and family members to be dropped until the next open enrollment period.

Remind Sailors with civilian insurance plans to review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

- If your spouse is employed and also has health insurance (OHI or "other health insurance"), arrange coordination of benefits with TRICARE or other insurance carrier.

Counselor: Normally, TRICARE becomes secondary insurance for a spouse with OHI. Some civilian insurers will not allow coverage under more than one policy.

- Enroll new family member(s) in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.

Counselor: Refer counselees to 1(844) 653-4061 or to www.tricare.mil/CoveredServices/Dental/TDP to learn more. Reserve members should examine available programs to determine the best insurance available for their situation.

- Review the "Survivor Benefits Overview" handout for more information on financial resources available to eligible dependents.

Additional notes: _____



SAVING AND INVESTING

- 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.



ADMINISTRATIVE TASKS

- Obtain an official copy of your child's (or children's) birth or adoption certificate(s).
Counselor: Remind counsees that an official copy is often embossed or certified in some way. Court documents may be notarized. To replace a lost or misplaced birth certificate, parents should check with the Bureau of Vital Statistics in the state where the child was born or see www.usa.gov/replace-vital-documents for information on how to obtain a replacement. Remind adoptive parents that they may qualify for partial reimbursement of adoption expenses. (Reference: <https://www.dfas.mil/militarymembers/payentitlements/adoptionreimbursement.html>.)
- Apply for a Social Security Card for your child or children.
Counselor: Refer counsees to <https://www.ssa.gov/pubs/EN-05-10023.pdf> for more information.
- Add your new dependent(s) to your Defense Enrollment Eligibility Reporting System (DEERS) account. Bring the birth certificate(s) and/or court documents to the nearest Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) office.
Counselor: Tell counsees that this is something they must do in person. They may review the list of acceptable identification documents at www.cac.mil/Portals/53/Documents/List_of_Acceptable_Documents.pdf. They can find the nearest DEERS/RAPIDS office at <https://www.dmdc.osd.mil/rsl/appj/site>.
- Check your Leave and Earnings Statement (LES) after DEERS updates.
Counselor: Remind counsees to verify the requested changes have been made and they are receiving the correct pay and allowances. Suggest they be especially careful about overpayments, as these will be recouped. Remind counsees to set aside money from an overpayment. Tell them if they do not know why they received it, they should probably save it until they find out.
- Seek out and take advantage of financial workshops for parents.
Counselor: Promote workshops that are available through your FFSC. Share your Center's schedule with the counsees, or similar providers in other services (e.g., Air Force Aid Society (AFAS), Navy-Marine Corps Relief Society (NMCRS) on a joint base.
- Enroll in financial assistance programs for which you may qualify.
Counselor: The federally funded Women, Infants, and Children (WIC) program, for example, can be especially helpful to new families. Refer counsees to: <https://www.fns.usda.gov/wic/who-gets-wic-and-how-apply>. Introduce them to the New Parent Support Program on your base for additional guidance.

Additional notes: _____



WELCOMING YOUR FIRST CHILD

MY CHECKLIST

NAVY FINANCIAL READINESS

Your first child changes everything familiar in your household... including the household finances. This checklist, supplemented with information and referrals from the Fleet and Family Support Center (FFSC) staff, can help you organize your finances efficiently as you work through the many changes that come with a new birth or adoption.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview

Use this checklist as a solution-focused tool to help set goals, establish priorities, and develop a family action plan. Space is provided to add local resources and reminders about additional topics.



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.



- 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.
- Review your new tax situation and change federal and state withholding as needed via mypay.dfas.mil. Reserve members will need to do this with their employers as well.

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. Review the handouts on "Major Purchases" and "5 Rules of Buying a House" for more information.
- Work with the base housing office for any housing needs related to your new child.
- Review the "Education Benefits and Savings" and "Paying off Student Loans" handouts to learn more about financing education, available benefits, obligations, and repayment options.

Additional notes: _____

★ PLANNING FOR THE FUTURE

- Review your retirement savings goals. For more information on components of military retirement and the TSP, refer to the handouts entitled "Military Retirement" and "Thrift Savings Plan."
- 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, then 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 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.

- Review the beneficiaries of your Servicemembers' Group Life Insurance (SGLI). Children are covered by Family SGLI at no cost.
- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.
- Update your auto insurance policies, and ensure coverage is appropriate for your current needs.
- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Enroll new family member(s) in TRICARE (active duty), TRICARE Reserve Select (Reserve members) or other health insurance plan. Review the handout "TRICARE Overview" for more information.
- If your spouse is employed and also has health insurance (OHI or "other health insurance"), arrange coordination of benefits with TRICARE or other insurance carrier.
- Enroll new family member(s) in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.

- Review the “Survivor Benefits Overview” handout for more information on financial resources available to eligible dependents.

Additional notes: _____

★ SAVING AND INVESTING

- 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.

★ ADMINISTRATIVE TASKS

- Obtain an official copy of your child's (or children's) birth or adoption certificate(s).
- Apply for a Social Security Card for your child or children.
- Add your new dependent(s) to your Defense Enrollment Eligibility Reporting System (DEERS) account. Bring the birth certificate(s) and/or court documents to the nearest Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) office.
- Check your Leave and Earnings Statement (LES) after DEERS updates.
- Seek out and take advantage of financial workshops for parents.
- Enroll in financial assistance programs for which you may qualify.

Additional notes: _____

CFS/PFM Printed Name

Counselor Printed Name

Signature

Date

Signature

Date



Welcoming Your First Child

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

This *Welcoming Your First Child* course is organized into seven parts:

1. **Introduction and Agenda**
 - Welcome
 - Facilitator Introduction
 - Review of Agenda
2. **Documents**
3. **Financial Planning**
 - Spending Plans
 - Financial Education and Assistance Programs
 - Major Purchases
 - Other Considerations (Consumer Protection, Survivor Benefits, Taxes)
4. **Insurance**
 - Health, Dental, and Property
 - Life Insurance Needs
 - Coverage Options
5. **Military Retirement**
6. **Paying for College**
7. **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: Update personal spending plan. Understand changes in basic pay and allowances as a result of the birth of a child. Be able to develop a spending plan that accounts for necessities and child care.
- 2. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELO: Understand how to update federal and state withholding as needed.
- 3. TLO:** Recognize and understand how to protect against misleading consumer practices, and report consumer complaints.

ELOs: Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Be able to access and read a credit report to identify potential fraudulent activities. Understand credit fraud and the process for placing alerts and freezes on accounts. Know which federal agencies support consumer protections and how to find information.
- 4. TLO:** Understand education financing, to include available benefits, obligations, and repayment options.

ELOs: Be able to assess the cost of educational programs. Know a variety of education benefits available to Service members and families. Understand general information on various financial aid options such as grants, scholarships and loans. Understand the value of saving early. Identify, compare and contrast educational saving programs.
- 5. TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
- 6. TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.

ELOs: Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the need to update insurance levels and premiums to cover liabilities. Understand benefits of flexible spending accounts.
- 7. TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, power of attorney, etc.).

ELOs: Understand estate planning considerations. Know why it is important to update estate planning documents and beneficiaries.
- 8. TLO:** Discuss TRICARE options and costs.



ELOs: Know how to add or remove dependents to/from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review benefits and costs of various health insurance options. Know which health care benefits will be utilized for varying scenarios.
- 9. TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
- 10. TLO:** Recognize the importance of and be able to develop savings and an emergency fund.

ELOs: Understand the importance of starting and maintaining emergency savings. Know how to set emergency savings goals. Know various methods and modes for keeping emergency funds. Know how to assess how much should be kept in an emergency fund. Be able to set guidelines for starting and replenishing an emergency fund.

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 needed:

- Projector/screen
- *Welcoming Your First Child* course PowerPoint slides
- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils
- Course sign-in sheet
- Course evaluations

Forms and Handouts:

- *Welcoming Your New Child* Counselee Checklist
- *Spending Plan Worksheet* Handout
- *Major Purchases* Handout
- *5 Rules of Buying a House* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* Handout
- *Survivor Benefits Overview* Handout
- *TRICARE Overview* Handout
- *Military Retirement* Handout
- *Estate Planning* Handout
- *Education Benefits and Savings* Handout
- *Paying off Student Loans* Handout

IV. CONTENT



SLIDE 1

Introduction

Welcome to the First Child financial readiness course.

Congratulations to all the new parents here today. For most Service members, a new child means changes, especially to your finances. So, this course is designed to help you organize your finances efficiently and prepare you for the changes that come with the birth or adoption of a new child.

Facilitator Introduction

Introduce yourself by providing:

Hello, my name is _____.

I am a _____.

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



SLIDE 2

Agenda



INSTRUCTOR NOTE: *Welcoming Your First Child* Counselor Checklist

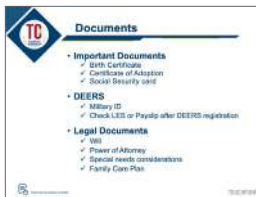
Today's course will help improve your overall financial readiness.

We will cover six topics: **Documents, Financial Planning, Insurance, Military Retirement, Planning for Education, and Resources.**

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



ACTIVITY: (If time permits) Ask your Service members about their households. Are they active duty or in the Reserves? Is the child or children a newborn, a stepchild, or an adoptee? If a stepchild or adoptee, what is the child or children's age(s)? Have Service members made child care arrangements and if not, what options are they considering? Answers to these questions can help you prioritize discussion topics throughout this course. Keep this activity to 60 seconds.



SLIDE 3

Documents



INSTRUCTOR NOTE: *Estate Planning* Handout

To get started, we will discuss important first steps you should take as you welcome home your child, including documents to obtain.

Birth/Adoption Certificate

Obtain an official copy of your child's (or children's) birth or adoption certificate(s).

An official copy is often embossed or certified in some way and court documents may be notarized. To replace a lost or misplaced birth certificate, you should check with the Bureau of Vital Statistics in the state where the child was born or see www.usa.gov/replace-vital-documents for information on how to obtain a replacement.

Social Security Card

Apply for a Social Security card for your child or children. Some hospitals do not automatically apply for the Social Security card for a newborn so be sure to follow up. After receiving your child's Social Security card, consider freezing your child's credit to prevent identity theft.

DEERS

Add your new child to your Defense Enrollment Eligibility Reporting System (DEERS) account. Bring the birth certificate(s) and/or court documents to the nearest Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) office.

You have to do this in person. A list of acceptable identification documents can be found at

www.cac.mil/Portals/53/Documents/List_of_Acceptable_Documents.pdf.

You can find the nearest DEERS/RAPIDS office at

<https://www.dmdc.osd.mil/rsl/appj/site>.

In addition to being enrolled in DEERS, new dependents over the age of 10 are required to have a current military ID. To acquire a new ID card for a child 10 years old or older, you should bring the child to the CAC office with your ID. Your child should already be listed in DEERS.

Check your Leave and Earnings Statement (LES) after you've added the new dependent in DEERS. Verify the requested changes have been made and that you are receiving the correct pay and allowances. Be especially careful about overpayments, as these will be recouped.

Estate Planning

See your base legal office (or other legal counsel) to establish or update estate planning documents, including a will, durable power of attorney, health care directive, medical power of attorney, and letter of instruction.

If you do not have an estate plan, read the *Estate Planning* Handout and seek assistance from the base legal office (active duty) or civilian legal services (Reserve, legal services are sometimes available through civilian employers).

Special Needs Considerations

Parents with new children with special needs will also want to seek counsel with their base legal office to understand special needs trust and estate planning. You may also want to complete a Special Needs Organizational Record. For all new enrollments and enrollment updates, have your medical provider or school official complete the appropriate DD Form 2792 as applicable. For more information, visit

<https://www.militaryonesource.mil/products#!/detail/143>.

Family Care Plan

Now is also a great time to review or create a Family Care Plan (DA Form 5305) should you ever have to leave your children under the supervision of a designated caregiver for an extended period of time, such as during a deployment or temporary duty.

For more information on the types of documents you will need to include, visit <https://www.militaryonesource.mil/family-relationships/relationships/parents-guardians/preparing-your-family-care-plan>.



SLIDE 4

Financial Planning: Spending Plans



INSTRUCTOR NOTE: *Spending Plan Worksheet* Handout

Now, let's turn our attention to several important financial planning topics. We will start with creating a spending plan to help childproof your finances.

There are four basic steps to building a spending 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 your spending and income for the next 30 days using statements.

It's a good idea to get a handle on income changes, especially if your household income will change due to the birth of a child.

Step 2: Know Where Your Money Should Go

Financial experts recommend these general guidelines when budgeting your money:

- Save and/or invest 10% — 15% of pretax income.
- 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 BAH or 25% of pretax pay.

Step 3: Create a Plan

Build your plan for setting aside money and putting limits on how much you'll spend each month on expenses. Here, it's important to plan for new monthly expenses like formula, diapers, clothes, and any additional medical expenses.

Also, you should consider increasing your emergency savings to cover three to six months of living expenses. This is especially important if you are the sole source of income for yourself and your dependents.

An emergency fund can help you cover unexpected costs associated with a new child and help to keep you from getting into debt. If you need to dip into the emergency fund, it's important that you replenish this money as soon as possible.

Step 4: Make Adjustments

Update your plan as life changes and as your expenses change with your new child.

I've provided a *Spending Plan Worksheet* Handout to revise your current spending plan and account for changes in income and expenses



INSTRUCTOR NOTE: If time permits, instruct Service members to complete the *Spending Plan Worksheet* Handout in class.

Explain a more detailed template is available with features that can help them understand their financial situation and reduce debt. For assistance visit the Fleet and Family Support Center (FFSC), or Installation Family Support Center.



SLIDE 5

Financial Education and Assistance Programs

Now let's review a few financial education and assistance programs that can help you and your growing family.

First, for those expecting a new child, it's important to become familiar with maternity and paternity leave policies. Generally speaking, the three family leave categories under the **Military Parental Leave Program** are:

Maternity Convalescent Leave

A six-week (42 days), non-chargeable leave period for the Sailor who gives birth, commencing the first full day after a Sailor is released from the hospital following a birth.

Primary Caregiver Leave

A six-week (42 days) non-chargeable leave period for the parent who gives birth or is designated with primary responsibility for caring for the child or children following a birth or adoption.

Secondary Caregiver Leave

A two-week (14 days) non-chargeable leave period for the parent not designated with primary responsibility for caring for the child following a birth or adoption.

INSTRUCTOR NOTE: For information about the Navy's parental leave policy see https://www.public.navy.mil/bupers-npc/support/21st_Century_Sailor/ParenthoodPregnancy/Pages/default.aspx.

Next up, is WIC or Women, Infants, and Children. WIC provides vouchers for food (formula, milk, eggs, cheese, etc.) to use at the grocery store of your choice. Your local FFSC should have information on how and where to see if you qualify.

And finally, the military relief societies are also a great resource. NMCRS offers the Budget for Baby course to help expecting parents learn to budget. They also offer a selection of gently used baby items through their thrift shops that can help you save money.



SLIDE 6

Major Purchases



INSTRUCTOR NOTE: *Major Purchases and 5 Rule of Buying a House*
Handouts

Now let's move on to major purchases. In most cases your little bundle of joy did not come with a bundle of cash, so it's important to be smart about any upcoming major purchases.

Make Smart Purchases

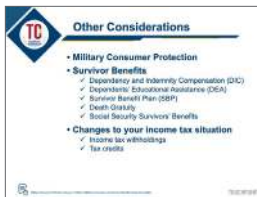
Be logical about what you buy and don't let emotions cloud your judgment. Remember that more expensive doesn't mean "more love."

Be sure to shop around for things like baby clothes and a crib. The NMCRS thrift shops can be a good resource for these items.

If you need to change your residence, work with the base housing office. Also your Fleet and Family Support Center (FFSC) or Installation Family Support Center can help with tips on house hunting, renting, home-buying strategies, and relocation resources.

If you are renting, review your lease or rental agreement to determine if you need to notify management of a new occupant. If you will be moving to a new residence, check the lease fine print for a military clause.

Finally, if you need to replace your current vehicle, work with your Fleet and Family Support Center (FFSC) or Installation Family Support Center for tips on car buying and child safety restraints.



SLIDE 7

Other Considerations



INSTRUCTOR NOTE: *Military Consumer Protection, Sources of Help for Military Consumers, and Survivor Benefits Overview Handouts*

Military Consumer Protection

Securing your financial future goes way beyond having a budget. It also includes being proactive by protecting your identity and knowing your rights as a member of the military under the Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA). See your legal office for more information.

It's a good idea to check credit reports for yourself, your spouse, and your children. You can do this by visiting www.annualcreditreport.com or your Installation Family Service Center for assistance.

Sadly, children are a favorite target of identity thieves, who sometimes commit fraud under a child's assumed identity for many years without being detected. To protect your children, you can request a free credit freeze from all three credit reporting agencies.

Here are a couple of resources to help those of you with questions about credit:

The Personal Financial Counselor/Educator (PFM/E) at your local Fleet and Family Support Center (FFSC) or Installation Family Support Center can help you interpret your reports and discuss what you need to do to improve your score.

Additional free services are available to active-duty Service members at the three credit reporting agencies' websites.

- <https://www.transunion.com/active-duty-military-credit-monitoring>
- <https://www.equifax.com/personal/military-credit-monitoring/>
- <https://www.experian.com/lp/military.html>

Survivor Benefits

It's important to know about the survivor benefits that are available to your dependents.



ACTIVITY: Review the *Survivor Benefits Overview Handout* for more information on financial resources available to eligible dependents. Discuss these benefits as a class.

Changes to Your Taxes

Review your new tax situation and change federal and state withholdings as needed. Visit <https://mypay.dfas.mil>. Also, take advantage of the new IRS W-4 withholding calculator at <https://www.irs.gov/individuals/tax-withholding-estimator> to best estimate tax withholding needs. Also, be mindful of child tax credits that you could benefit from when you prepare and file your taxes. Consult with a Personal Financial Counselor/Manager at your Installation Family Service Center.



SLIDE 8

Insurance



INSTRUCTOR NOTE: *TRICARE Overview Handout*

Health

It is important to enroll your new child in TRICARE (active duty), TRICARE Reserve Select (Reserve members), or other health insurance plan as soon as possible. In most cases, you will have 90 days (stateside) or 120 days (overseas) to do this.



ACTIVITY: Review *TRICARE Overview Handout* for more information. Visit www.tricare.mil to find out more about your options. Discuss, as a class, that new children should be added in DEERS before they can be enrolled in TRICARE.

Reserve members must ensure continuous, regular payments to stay enrolled in TRICARE Reserve Select. Irregular drill pay can cause Reserve members and family members to be dropped until the next open enrollment period.

Reserve members with civilian insurance plans should review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

If your spouse is not covered by other health insurance (OHI), contact TRICARE to discontinue coordination of benefits, so that TRICARE is the spouse's primary insurance.

Dental

Do not forget to enroll new family member(s) in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/dental for more information.

INSTRUCTOR NOTE: Service members can contact 844-653-4061 or visit www.tricare.mil/CoveredServices/Dental/TDP to learn more. Reserve members should examine available programs to determine the best insurance available for their situation.

Property

Review and update your homeowners or renters, and auto insurance policies to ensure they are adequate for your new circumstances.

It is important to know that your exposure to property or liability losses might be higher with a new child in the household than it was before. For example, new friends may bring their children to your home. Be sure you have enough liability insurance to cover injuries to playmates occurring on your property. You may want to consider purchasing an “umbrella” or excess liability policy in addition to homeowners or renters insurance.

Become familiar with your state’s laws and the importance of properly installing child safety restraint seats. Your installation may have a class or representative available to assist you. Contact the Fleet and Family Support Center (FFSC) for information.

LIFE Insurance Needs

Liabilities (debt and obligations) _____
Income (amount & number of years needed) + _____
Final expenses + _____
Education and other goals + _____
Subtract current coverage and assets - _____
Your Total Need

SLIDE 9

LIFE Insurance Needs

To accommodate your growing family, you should pause to 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.

Liabilities	Debt you would like to pay off, like to a mortgage, auto loan or credit cards(s)	\$
Income to be replaced	Multiply targeted annual income amount by the number of years to replace	\$
Funeral and final expenses	The amount you would like to set aside for final expenses	\$
Education and other goals	The amount you want to fund education and other goals for family, friends, or charitable organizations	\$
Total Life Insurance Needed:		\$\$\$\$

If you determine your need for life insurance coverage exceeds what SGLI provides, there are many types of private life insurance policies, such as term life, whole life, universal life, etc. Be sure to research and understand the costs, benefits, terms and conditions of any policy you consider purchasing. Remember that a Personal Financial Manager/Counselor on your base can help you determine the types and amount of life insurance needed to fill any coverage gaps.



SLIDE 10

Coverage Options

Now is a great time to review the coverage, death benefit and beneficiaries of your Servicemembers' Group Life Insurance (SGLI).

Eligible Service members can choose from \$50,000 to \$400,000 in SGLI term life insurance. They can also choose coverage for their spouse, up to \$100,000 with Family SGLI (FSGLI). Under Family SGLI, children are covered at \$10,000 at no cost as soon as they are registered in DEERS. It is extremely important that Service members ensure that their beneficiary information is kept up to date.

Did you know that the SGLI Online Enrollment System (SOES) allows Service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office?

To access SOES, you must sign into www.dmdc.osd.mil/milconnect and go to the "Manage Health Benefits" tab, Life Insurance SOES-SGLI Online Enrollment System.

Based on your life insurance calculations, you may find that you need additional life insurance. Term and permanent life insurance coverage may be purchased through private life insurance companies.

Consider coverage that includes a war clause and makes other allowances given your job. Make sure that premium payments are affordable and realistic for your budget.



SLIDE 11

Military Retirement

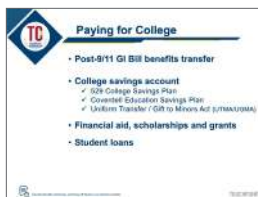


INSTRUCTOR NOTE: *Military Retirement* Handout



ACTIVITY: As a class, review the *Military Retirement* Handout. Which retirement system does each Service member fall under? Cover the different components of each retirement system. For BRS, emphasize the importance of contributing. While other goals might take more priority at this point, such as building up your emergency fund, don't forget to make your retirement savings a priority, too!

Retirement may seem like a distant goal, but it'll be here before you know it, so it's important to start planning for it now to build financial security during those years. The most powerful factor that you have is time. Starting to invest now for retirement offers two essential tools for accumulating wealth compound interest and long-term growth potential.



SLIDE 12

Paying for College



INSTRUCTOR NOTE: *Education Benefits and Savings and Paying off Student Loans Handouts*

Now is the time to start planning and saving for your child's education. However, it is more important to fund your retirement plan before funding your child's education. You can always get a loan for your child's education but you cannot get a loan for your retirement. Parents may choose from a variety of college savings accounts, scholarships and grants, financial aid, student loans, and self-funded strategies to fund their child's education. What matters most is you put a plan in place to begin saving long before your child is ready for college because it's expensive!



ACTIVITY: As a class, review *Education Benefits and Savings Handout*. Review and discuss the combination of ways parents can help fund their children's college education, including:

- Transferring their Post-9/11 GI Bill
- Using a College Savings Account, such as a 529 Plan, Coverdell Education Savings Account (ESA) and Uniform Transfer/Gift to Minors Act (UTMA/UGMA)
- Financial aid, scholarships and grants
- Student loans

Paying off Student Loans

If you still have student loans, it is important that you continue to make paying off your student loans a priority, as this debt can keep you from achieving other financial goals.

Review the *Paying off Student Loans Handout* for more information.



SLIDE 13

Summary

We've reached the end of today's training, now let's take a moment to recap what you've learned:

- We've started with a discussion on the important documents you need to obtain and steps to take to get your new child fully enrolled and settled in service programs
- Financial planning practices to put into place to integrate your new child into your family's finances
- Insurance benefits and considerations to take into account
- A brief overview of your military retirement benefits
- How to plan and pay for your child's future education
- Resources you may use now and moving forward



SLIDE 14

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.



SLIDE 15

Thank You!

Thank you for participating in this course. I wish you the very best as you and your family welcome home your new child. Please let me know if you have any questions or would like to schedule an in-person appointment to review your finances.



FIRST CHILD VIDEO DISCUSSION GUIDE

PART 1

CFS Preparation: Distribute and discuss the First Child 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 our conversation is about handling finances when your first child arrives. The goal of today's discussion is to improve your understanding of personal finance as a new parent. Together we will watch videos with vital information for you. We also want to create a discussion around the financial aspects of bringing a new child into your military family. Let's get started.

Play Video 1



1. Introduction

CFS Intro: Bringing your first child into your family is an exciting time! Being prepared and knowing what to expect can ease stress. There will be paperwork, just like many other aspects of military life. So let's see what's in store.

Play Video 2

Discussion Questions



2. Paperwork & Admin Tasks

1. What things can you do as a new parent to prepare for adding your new dependent to DEERS?

CFS Talking Points: Get extra official copies of your new child's birth certificate. Go online to schedule an appointment at your local installation DEERS office at a date and time convenient for you. Keep important documents organized in a file folder for safe keeping and direct access when needed. Label folders accordingly.

2. What differences might you see on your LES once a new child is added?

CFS Talking Points: Adding a dependent will affect what you are receiving in COLA. Additionally, your BAH status may change depending on your family makeup. You will see a change in your tax deductions if you update your federal or state tax exemptions to include a new child.

3. How can having a new child affect your estate plan?

CFS Talking Points: Assigning guardianship, updating beneficiaries, or creating a trust

Knowledge Check

Question: How can you obtain your new child's Social Security card?

Answer: You will receive the card by mail if birth registration was completed at the hospital. Otherwise, you can apply at ssa.gov.

PART 2: Transition to Budgeting

CFS Intro: Your finances will change with a new member in the family. The next video will cover common expenses to consider when updating your financial plan.

CFS Notes: Have current budget template/handout, have local costs for like expenses such as day care, diapers, wipes, formula, food, etc.

Play Videos 3, 4 & 5

Discussion Questions



3. Transition to Financial Tips

1. As you saw on the video, the cost of raising a child from birth to age 18 averages around \$250,000. What costs do you think make up this amount?

CFS Talking Points: Child care, diapers, formula, food, school, activities/hobbies, clothes, entertainment...



4. Financial Tips for your First Child

2. What are things to consider if you and your spouse will be transitioning to one income when your new child arrives?

CFS Talking Points: Carefully weigh the financial benefits of your spouse working with the expense of daycare and other associated costs to care for your child. Also consider other aspects not directly related to finances. Will your spouse be OK putting career on hold for a period of time? Is your spouse prepared to be a full-time caregiver for your new child? If your spouse continues to work, how will he/she handle being apart from new child?



5. Emergency Funds

3. Do you need to address any major financial changes such as housing or vehicle needs?

CFS Talking Points: Before making major decisions think through needs vs. wants. Can certain expenses be delayed, allowing time to save?

Knowledge Check

Question: What resources are available to assist you with addressing the additional costs of a new child?

Answer: WIC, NMCRS Budget for Baby, New Parent Support, Installation PFM, Unit CFS, Base Housing office

PART 3: Transition to the Cost of College

CFS Intro: One day you are changing diapers and the next preparing to send your child off to college. Time can go by fast. Ensure you are prepared for this expense as planning is essential for peace of mind and the sooner you start, the better.

Play Video 6

Discussion Questions



6. The Cost of College

1. What discussions are important to have when planning for your child's college experience?

CFS Talking Points: Do you want to be able to cover the entire cost of your child's undergraduate, graduate, or doctorate degree? Will your child attend college in a particular location, such as a specific state? Can you afford to do so while saving/investing for your current/future expenses and retirement? Let's look at possible advantages and disadvantages.

- Advantages: More job opportunities, higher earnings, no student loan debt, possible tax benefits, concentration on school, being able to provide for your child(ren).
- Disadvantages: Entitlement, dependency, how can this harm a child? Not caring as much, lower incentive to graduate, doesn't encourage grants or scholarships/financial aid, takes from the parent's retirement.

Clarification will come as your child gets older, but you don't want to miss out on the opportunity for time and compounding/return to do its magic. Consider working with your installation PFM to talk through what type of account(s) are appropriate for your college funding goals. Also, consult with the installation Education office on opportunities to transfer education benefits to your dependents.

2. Currently the average cost for a 4-year degree from a public university is more than \$82,000. In 20 years the cost is projected to be \$220,000. What factors impact this?

CFS Talking Points: College costs have risen at a faster pace than the consumer price index (CPI) — a measure of inflation. In recent years, education inflation for public universities has been at 5% per year while CPI has averaged 2.5%. With public universities, changes in state government appropriations, the overall economy, and technology causes changes in tuition and fees.

Source: www.collegeboard.com

PART 4: Transition to Insurance

CFS Preparation: Have the local DEERS office contact information. If the internet is available, pull up www.tricare.mil for reference to health care and dental coverage and have TRICARE handout for students. Suggest a life insurance needs calculator online or handout.

CFS Intro: The purpose of insurance is to protect you and your family from severe financial loss. With a strong financial plan, you will work hard to accumulate assets. It is essential to protect what you've worked for — this is where insurance comes into play. The next three videos will take us through changes to insurance that are affected by bringing a new child into this military life.

Play Videos 7, 8 & 9



7. Transition to Insurance



8. Health Insurance



9. Life Insurance

Discussion Question

1. What sort of health care expenses can incur when having a new child?

CFS Talking Points: Prenatal care, lab work, birthing classes, labor and delivery, hospital stay, doctor's visits, medication, ongoing care. Do a thorough review of your insurance to understand what is covered, deductible (if any), copay costs. Tip: check with your Primary Care Provider and base hospital for options of OTC meds and vitamins provided at no cost.

2. What ideas/suggestions do you have for talking with loved ones about life insurance beneficiaries?

CFS Talking Points: Speak on implications of naming a minor as beneficiary (minors cannot manage an inheritance without an adult administering assets until they reach majority age of their state). Inform previous beneficiaries if you updated your life insurance beneficiary and no longer list them as beneficiaries; spouse will be notified if you elect beneficiary other than spouse/child; updates to SGLI are completed at the SGLI Online Enrollment System (SOES).

Knowledge Check

Question: Where do you enroll you child into TRICARE?

Answer: DEERS enrollment then possible selection of TRICARE plan

Question: Full SGLI and FSGLI includes how much coverage?

Answer: SGLI \$400,000; FSGLI \$100,000; children \$10,000

PART 5: Recap and Final Wrap Up

CFS Intro: The following video has a few more suggestions to keep in mind as we wrap up our conversation on financial planning with a new child.

Play Video 10

Discussion Questions



10. Recap &
Final Wrap Up

1. What are some ways to protect your child's identity?

CFS Talking Points: Be conscious of who has your child's Social Security number. Don't share your child's number unless absolutely necessary. Some documents will request a Social Security number but you should question whether it's absolutely necessary. Keep important documents in a safe, or if stored digitally, protect with strong passwords. Don't carry your child's sensitive documents with you. If you receive mail addressed to your child, such as a pre-approved credit offer, this is a major red flag. Just as you check your own credit, check to see if your child has a credit report (hint: they should NOT).

2. Of all of the aspects of planning for a new child, add taxes to the list. When was the last time you checked your tax withholding?

CFS Talking Points: Your tax withholding is listed on your LES. Check or update exemptions in myPay. Update your withholdings at major life events, like if your family situation changes, your income changes, you buy/sell major items, or go to school, to name a few. With a new qualifying child you will be able to claim them on your taxes, which means child-related deductions and credits.

CFS Conclusion:

Remember that you can speak with a Financial Counselor on base if you have questions or concerns regarding the financial considerations of your new child. You are not in this alone. This installation has the resources to assist you as you navigate the changes that come from your new family addition.

CFS Info: You will need contact information for Financial Counselor and other available resources relevant to new parents.



Welcoming Your First Child

Presentation





1


Agenda

- Documents
- Financial Planning
- Insurance
- Retirement
- Planning for Education
- Resources

 Welcoming Your First Child Checklist Available


TOUCHPOINT

2




Documents

- **Important Documents**
 - ✓ Birth certificate
 - ✓ Certificate of adoption
 - ✓ Social Security Card
- **DEERS**
 - ✓ Military ID
 - ✓ Check LES or Payslip after DEERS registration
- **Legal Documents**
 - ✓ Will
 - ✓ Power of attorney
 - ✓ Special needs considerations
 - ✓ Family care plan

 Estate Planning Handout Available

TOUCHPOINT

3



Financial Planning: Spending Plans

STEP 1: Understand your current situation

- ✓ Track inflows and outflows
- ✓ Review past financial statements

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


- ✓ Plan for new child expenses
- ✓ Build an Emergency Fund

STEP 4: Make adjustments

- ✓ Update with life changes
- ✓ Review frequently



**4-STEP
BUDGETING
PROCESS**

 Spending Plan Worksheet Handout Available

* Pretax income

TOUCHPOINT

4




Financial Education and Assistance Programs

- Military Parental Leave Program
- Women, Infants and Children (WIC)
- Navy-Marine Corps Relief Society (NMCRS) Budget for Baby
- Coast Guard Mutual Assistance (CGMA)





TOUCHPOINT

5



Major Purchases


- **Make smart purchases**
 - ✓ Logic beats emotion
 - ✓ Additional costs matter
 - ✓ Shop around
- **Housing**
 - ✓ Work with base housing
- **Transportation**
 - ✓ Analyze your needs
 - ✓ Review your spending plan



Major Purchases and 5 Rules of Buying a House Handouts Available


TOUCHPOINT

6



Other Considerations


- **Military Consumer Protection**
- **Survivor Benefits**
 - ✓ Dependency and Indemnity Compensation (DIC)
 - ✓ Dependents' Educational Assistance (DEA)
 - ✓ Survivor Benefit Plan (SBP)
 - ✓ Death Gratuity
 - ✓ Social Security Survivors' Benefits
- **Changes to your income tax situation**
 - ✓ Income tax withholdings
 - ✓ Tax credits



Military Consumer Protection, Sources of Help for Military Consumers, and Survivor Benefits Handouts Available


TOUCHPOINT

7



Insurance

- **Health**
 - ✓ TRICARE coverages
 - ✓ Medical
 - Spouse employer coverage
 - Flexible Savings Account (FSA)
- **Dental**
- **Property**
 - ✓ Homeowners
 - ✓ Renters
 - ✓ Auto



TRICARE Overview Handout Available

TOUCHPOINT

8




LIFE Insurance Needs

L liabilities (debts and obligations)		
I ncome (amount X number of years needed)	+	
F inal expenses	+	
E ducation and other goals	+	
<i>Subtract current coverage and assets</i>	-	
Your Total Need		

TOUCHPOINT

9



Coverage Options


- **Servicemembers' Group Life Insurance (SGLI)**
 - ✓ Coverage
 - ✓ Death benefit
 - ✓ Beneficiaries

- **Family Servicemembers' Group Life Insurance (FSGLI)**

- **Private Life Insurance**
 - ✓ Term and permanent coverage
 - ✓ War clause and other restrictions
 - ✓ Beneficiaries
 - ✓ Premium payments

TOUCHPOINT


10



Military Retirement


Which system are you under?

Legacy “High-Three” Retirement System




- ✓ Thrift Savings Plan
 - Member contributions
- ✓ Pension

Blended Retirement System




- ✓ Thrift Savings Plan
 - Member contributions
 - Service contributions
 - Service match
- ✓ Continuation Pay
- ✓ Retirement Lump Sum
- ✓ Pension

 Military Retirement Handout Available


TOUCHPOINT

11




Paying for College

- **Post-9/11 GI Bill benefits transfer**
- **College savings account**
 - ✓ 529 College Savings Plan
 - ✓ Coverdell Education Savings Plan
 - ✓ Uniform Transfer / Gift to Minors Act (UTMA/UGMA)
- **Financial aid, scholarships and grants**
- **Student loans**

 Education Benefits and Savings, and Paying off Student Loans Handouts Available

TOUCHPOINT

12



Summary

Congratulations on having your first child!


It's important to talk about financial goals with your spouse so you can work together to meet them.

Let's recap what you learned.



- ✓ Documents
- ✓ Financial Planning
- ✓ Insurance
- ✓ Retirement
- ✓ Planning for Education

TOUCHPOINT

13




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

14



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 9

Preparing for Divorce





Preparing for Divorce

Student Manual



I. INTRODUCTION

Studies at the National Institutes of Health (NIH) verify that money is a leading cause of stress in relationships. Even when a relationship ends in divorce, money often continues to be an issue.

As a CFS, you have the opportunity to assist divorcing or newly divorced individuals reorganize their finances efficiently as they work through the many dimensions of this difficult life event. Use the materials and resources listed below as solution-focused tools to help your counselee set goals, establish priorities, and develop a personal 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: Update personal spending plan. Understand changes in basic pay and allowances as a result of the birth of a child. Be able to develop a spending plan that accounts for necessities and addresses cash flow changes due to child support or spousal support.
2. **TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.
ELO: Understand how to update federal and state withholding as needed.
3. **TLO:** Recognize and understand how to protect against misleading consumer practices, and report consumer complaints.
ELOs: Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Be able to access and read a credit report to identify potential fraudulent activities. Understand credit fraud and the process for placing alerts and freezes on accounts. Know which federal agencies support consumer protections and how to find information.
4. **TLO:** Understand education financing, to include available benefits, obligations, and repayment options.
ELOs: Be able to assess the cost of educational programs. Know a variety of education benefits available to Service members and families. Understand general information on various financial aid options such as grants, scholarships and loans. Understand the value of saving early. Identify, compare and contrast educational saving programs.
5. **TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
6. **TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.
ELOs: Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the need to update insurance levels and premiums to cover liabilities. Understand benefits of flexible spending accounts.
7. **TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, power of attorney, etc.).
ELOs: Understand estate planning considerations. Know why it is important to update estate planning documents and beneficiaries.
8. **TLO:** Discuss TRICARE options and costs.
ELOs: Know how to add or remove dependents to/from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review benefits and costs of various health insurance options. Know which health care benefits will be utilized for varying scenarios.
9. **TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
10. **TLO:** Recognize the importance of and be able to develop savings and an emergency fund.
ELOs: Understand the importance of starting and maintaining emergency savings. Know how to set emergency savings goals. Know various methods and modes for keeping emergency funds. Know how to assess how much should be kept in an emergency fund. Be able to set guidelines for starting and replenishing an emergency fund.

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/>
<https://www.tsp.gov/PlanParticipation/AccountManagement/beneficiaries.html>
- 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>
<https://militarypay.defense.gov/Benefits/Savings-Deposit-Program>
- USA.gov — <https://www.usa.gov/saving-investing>
- Department of Veterans Affairs (VA) — <https://www.benefits.va.gov> <https://benefits.va.gov/gibill>
- Free annual credit report — <https://www.annualcreditreport.com>
- Consumer Financial Protection Bureau (CFPB) — <https://www.consumerfinance.gov>
<https://www.consumerfinance.gov/consumer-tools/military-financial-lifecycle>
- Department of Education — <https://www.ed.gov>
- Federal Student Aid — <https://studentaid.ed.gov/sa>
- Blended Retirement System (BRS) — <https://militarypay.defense.gov/blendedretirement>
- Federal Emergency Management Agency (FEMA) —
<https://www.fema.gov/national-flood-insurance-program>
- Servicemembers' Group Life Insurance (SGLI) —
<https://www.va.gov/life-insurance/options-eligibility/sgli>
- Veterans' Group Life Insurance (VGLI) — <https://www.va.gov/life-insurance/options-eligibility/vgli>
- Medicaid — <https://www.medicaid.gov>
- Medicare — <https://www.medicare.gov>
- HealthCare.gov — <https://www.healthcare.gov/have-job-based-coverage/flexible-spending-accounts>
- Defense Finance and Accounting Service (DFAS) —
<https://www.dfas.mil/militarymembers/payentitlements/sdp.html>
- Defense Finance and Accounting Service (DFAS)/Survivor Benefit Plan (SBP) —
<https://www.dfas.mil/retiredmilitary/provide/sbp.html>
- TRICARE — <https://www.tricare.mil>
<https://www.tricare.mil/Plans/Eligibility/MedicareEligible>
- Defense Enrollment Eligibility Reporting System (DEERS) — <https://www.tricare.mil/deers>
- myPay — <https://mypay.dfas.mil>
- Military Health System — <https://health.mil>
- Military Compensation Policy/milConnect — <https://milconnect.dmdc.osd.mil/milconnect>
- Federal Trade Commission (FTC) Consumer Information — <https://www.consumer.ftc.gov>
- Federal Deposit Insurance Corporation (FDIC) — <https://www.fdic.gov>
- National Credit Union Administration (NCUA) — <https://www.ncua.gov>
- Treasury Direct — <https://www.savingsbonds.gov>
- milSuite — <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.
DEERS	Defense Enrollment Eligibility Reporting System	Registration in this database is required for TRICARE eligibility and enrollment.
LES	Leave and Earnings Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
PSLF	Public Service Loan Forgiveness	This program forgives remaining balances on Direct Loans for those who have made 120 qualifying monthly payments under a qualifying repayment plan while working full time for a qualifying employer.
SGLI	Servicemembers' Group Life Insurance	Servicemembers' Group Life Insurance offers low-cost term coverage to eligible Service members.
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.
VA	Department of Veterans Affairs	This federal agency provides health and other benefits to eligible veterans and their families.
VGLI	Veterans' Group Life Insurance	Service members who are eligible for Veterans' Group Life Insurance may be able to keep their life insurance coverage after they leave the military for as long as they continue to pay the premiums.

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):

- *Preparing for Divorce* Counselor Checklist
- *Preparing for Divorce* Counselee Checklist

Handouts:

- *Spending Plan Worksheet* Handout
- *Major Purchases* Handout
- *5 Rules of Buying a House* Handout
- *TRICARE Overview* Handout
- *Estate Planning* Handout
- *Paying off Student Loans* Handout
- *Education Benefits and Savings* Handout
- *Understanding Credit* Handout
- *Military Retirement* Handout
- *Thrift Savings Plan* Handout
- *Survivor Benefits Overview* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* 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.

- *Preparing for Divorce* Touchpoint Checklists and Handouts
- *Preparing for Divorce* PowerPoint (PPT) Training Slides and Instructor Guide (IG)
- *Preparing for Divorce* Videos and Video Discussion Guides (VDG)

3. Online Training

- *Preparing for Divorce* course (Navy e-Learning, My Navy Portal or your service-specific e-Learning site)

VI. ADDITIONAL LEARNING AND ACTIVITIES

Preparing for divorce can be a stressful time for the Service member, spouse, and children. The training materials, Checklists, and Handouts are designed to prepare for financial changes and stress due to separation and divorce. In addition to the training materials, the financial counselors at the (service specific and name specific) Family Support Centers can help you with your specific situation, and protect you financially through this time of upheaval and change.

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

- Create a current and projected spending plan for someone separating/divorcing to include changes to the W4, possible BAH changes, alimony, child support, and debt and living expense changes.
- Review the *Estate Planning* Handout discuss changes to beneficiaries and assets division.
- Role play. Using the *Preparing for Divorce* Counselor/Counselee Checklists, provide a counseling session.

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
- Credit Management
- Your Insurance Needs



FINANCIAL IMPLICATIONS OF DIVORCE

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

Studies at the National Institutes of Health (NIH) verify that money is a leading cause of stress in relationships. Even when a relationship ends in divorce, money often continues to be an issue. This checklist, supplemented with information and referrals from the Fleet and Family Support Center (FFSC) staff, can help you reorganize your finances efficiently as you work through the many dimensions of this difficult life event.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview

Use this checklist as a solution-focused tool to help set goals, establish priorities, and develop a personal action plan. Space is provided to add local resources and reminders about additional topics.

Counselor: Ask your counselees where they are in the divorce process. Are they separating? Separated? Have legal papers been filed? Remind your counselees that you are not a lawyer and that he or she will need the advice and guidance of an attorney throughout the divorce process. The base legal office may be able to help them find pro bono or reduced-fee assistance if he or she finds the cost of adequate legal counsel prohibitive.



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. Remind counsees they can make saving 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.

- Where appropriate, close all joint bank and/or credit union accounts and open new ones in your own name as soon as possible. Seek professional financial counseling and/or legal counsel before acting if you are unsure about taking this step.

Counselor: Remind counsees to be sure that the new account is open and that all outstanding checks have cleared before closing an existing account. Ideally, this task will be accomplished with the knowledge, cooperation, and assistance of the ex-spouse. Refer your counsees to legal counsel for help if the ex-spouse cannot or will not participate.

- Settle all outstanding debts, if appropriate. Continue to pay and monitor outstanding joint debts, as these continue to be your legal responsibility until your name is removed from the account or the debt is paid off.

Counselor: Suggest to your counsees that they verify closed joint accounts are reflected accurately on their credit report.

- Establish an effective bill-paying system to ensure that bills are paid on time.

Counselor: If a counselee is unfamiliar with paying bills, suggest that he or she consider financial coaching and/or taking a financial management class. Make referrals to local resources, as appropriate.

- Use a written receipt system to document payment or receipt of alimony/maintenance funds.

Counselor: Tell counsees that good records will be important if payments are chronically late or withheld.

- 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 they may be able to get a free copy of credit reports from the Personal Financial Counselor/Educator (PFM/E) at the FFSC. The PFM/E can also help them interpret their reports and discuss what they need to do to improve their scores.

- Review your new tax situation and change federal and state withholding as needed via mypay.dfas.mil. Reserve members will need to do this with their employers as well.

Counselor: Counsees should be sure to have the Social Security numbers of the former spouse and all children. Remind counsees they may need the numbers for tax returns. They may also need the former spouse to sign an IRS Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, to indicate what the divorcing partners' agreement is regarding claiming the children as exemptions.

- Update personal property tax records in your city and/or county to reflect your new marital status, if appropriate.

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. Review the handouts on "Major Purchases" and "5 Rules of Buying a House" for more information.

Counselor: Remind counsees to speak with financial counselors on their installation to build and review their spending plan before taking on any major purchases.

- Work with the base housing office for any housing needs related to the change in your marital status.

Counselor: Remind counsees that if they are renting a new residence, to be sure their lease contains a military clause.

- Review the "Education Benefits and Savings" and "Paying off Student Loans" handouts to learn more about financing education, available benefits, obligations, and repayment options.

Counselor: Remind counsees to check on GI Bill benefits, tuition assistance, and the College Level Examination Program (CLEP) to help cover or offset costs of higher education. Suggest, they may want to investigate if an income-based repayment plan is appropriate if their income has changed.

Additional notes: _____

★ PLANNING FOR THE FUTURE

- Review your retirement savings goals. Ensure you understand your ex-spouse's rights to your retirement funds and benefits, and ensure that Individual Retirement Account (IRA) and other investment accounts are in your name only or your interest in those accounts is legally protected to the fullest extent possible under the law. For more information on components of military retirement and the TSP, refer to the handouts entitled "Military Retirement" and "Thrift Savings Plan."

Counselor: Remind the counsees of the Uniformed Services Former Spouses' Protection Act, as it may apply to their situation. Be sure counsees know that in some cases, a qualified domestic relations order (QDRO) is required to split a retirement account. If so, the divorcing couple should be sure to include one in the divorce settlement. After submitting the QDRO, counsees should follow up to confirm that plan administrators have accepted it and that it has been filed with the court. For more information about QDROs, refer counsees to <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/qdro-overview.pdf>.

- Update beneficiaries of your Thrift Savings Plan (TSP) and Individual Retirement Accounts (IRA), as appropriate.
- 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, then 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 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 counsees 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.

- Update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI), if appropriate.

Counselor: Note that Reserve members assigned to a unit scheduled to perform at least 12 periods of inactive duty creditable for retirement purposes can purchase full-time SGLI coverage that is in effect 365 days of the year. They are also covered for 120 days following separation or release from duty. Refer

couselees to www.benefits.va.gov/insurance/ for more information. Inform couselees that the SGLI Online Enrollment System (SOES) allows Service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office. To access SOES, they must sign into www.dmdc.osd.mil/milconnect and go to the "Benefits" tab, Life Insurance SOES-SGLI Online Enrollment System.

- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.
- Update your auto insurance policies, to inform your insurance carrier of your new marital status.
- Consider insuring any sources of income you are receiving from your ex-spouse. If your ex-spouse pays alimony or child support, if it is possible and feasible, consider taking out a life and/or disability insurance policy on him or her.

Counselor: Explain to your couselees that this will protect his or her income should the ex-spouse become disabled or die. Couselees should be both the owner and beneficiary, and should control payment of premiums. (The cooperation of the ex-spouse may be required.)

- Speak with the Legal Service Office to discuss updating your car title(s) and registration(s), as required.
- Speak with legal counsel to discuss changes to property ownership per your divorce decree.

Counselor: Suggest to couselees that as appropriate, he or she may need to execute a quit claim deed to transfer title of real property to his or her former spouse, and/or make sure that the ex-spouse does the same, as required by the divorce decree. Couselees should then ensure the deed is filed by the county recorder where the property is located. Couselees should also complete any refinancing or mortgage assumptions as necessary.

- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney, etc.

Counselor: If a couselee does not yet have an estate plan, encourage them to develop a plan with assistance from the base legal office (active duty) or civilian legal services (Reserve; legal services are sometimes available through civilian employers). To help active-duty Sailors learn more about Navy legal services, refer them to www.jag.navy.mil/legal_services.htm. Suggest couselees should seek legal assistance as soon as possible. They should not wait until right before temporary duty (TDY) travel or deployment, when appointments may be difficult to get.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- If you are covered by TRICARE, change your TRICARE medical and dental enrollments, as necessary. If you are covered by any other health policies, adjust coverage to suit your current circumstances. Review the handout "TRICARE Overview" for more information.

Counselor: Note that TRICARE Prime and TRICARE Select require annual enrollment. Couselees may also want to reassess their own TRICARE plan. Refer active-duty Sailors to www.tricare.mil/Plans/HealthPlans. Refer Reserve Component Sailors to www.tricare.mil/Plans/HealthPlans/TRS.

Remind Reservists that they must ensure continuous, regular payments to stay enrolled in TRICARE Reserve Select. Irregular drill pay can cause Service members and family members to be dropped until the next open enrollment period.

Remind counsees with civilian insurance plans to review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

- Speak to a Survivor Benefit Plan (SBP) counselor if you are close to retirement to discuss the impact of the divorce on SBP. Refer to the "Survivors Benefits Overview" handout for a brief overview of the benefits provided.

★ SAVING AND INVESTING

- 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.

★ ADMINISTRATIVE TASKS

- Obtain an official copy of your Marital Settlement Agreement (divorce decree).

Counselor: Suggest that the counsees get several certified copies of their divorce decree and if applicable, documents concerning a name change, in case they need to file them with multiple agencies.

Make sure counsees know that their divorce decree should specifically address spousal support, child custody, division of property (including financial assets), and other pertinent matters. Note that under the terms of the Uniformed Services Former Spouses' Protection Act of 2011, certain former spouses may be entitled to a portion of retired pay. (For more information, see <https://www.militaryonesource.mil/family-relationships/relationships/relationship-challenges-and-divorce/uniformed-services-former-spouse-protection-act-for-divorced-spouses-in-the-military>).

Also, consider how the divorce impacts Social Security benefits planning if a counselee was married for more than 10 years. See Retirement Planner: Benefits For Your Divorced Spouse, www.ssa.gov/planners/retire/yourdivspouse.html.

- Obtain a new Social Security card, driver's license, and passport if you are changing your name.
- See your base legal office (active duty) or other legal counsel (Reserve) to determine the proper course of action regarding powers of attorney (POA) of your ex-spouse, if POAs are in place.
- Bring the divorce decree to the nearest Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) office. Obtain a new military ID if you are changing your name.

Counselor: Remind the counselee that this must be done in person. He or she may view a list of acceptable identification documents at www.cac.mil/Portals/53/Documents/List_of_Acceptable_Documents.pdf. Your counselee can find the nearest DEERS/RAPIDS office at www.dmdc.osd.mil/rsl/appj/site.

- Check your Leave and Earnings Statement (LES) after DEERS updates.

Additional notes: _____



FINANCIAL IMPLICATIONS OF DIVORCE

MY CHECKLIST

NAVY FINANCIAL READINESS

Studies at the National Institutes of Health (NIH) verify that money is a leading cause of stress in relationships. Even when a relationship ends in divorce, money often continues to be an issue. This checklist, supplemented with information and referrals from the Fleet and Family Support Center (FFSC) staff, can help you reorganize your finances efficiently as you work through the many dimensions of this difficult life event.

Use this checklist as a solution-focused tool to help set goals, establish priorities, and develop a personal action plan. Space is provided to add local resources and reminders about additional topics.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview



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.

- Where appropriate, close all joint bank and/or credit union accounts and open new ones in your own name as soon as possible. Seek professional financial counseling and/or legal counsel before acting if you are unsure about taking this step.
- Settle all outstanding debts, if appropriate. Continue to pay and monitor outstanding joint debts, as these continue to be your legal responsibility until your name is removed from the account or the debt is paid off.
- Establish an effective bill-paying system to ensure that bills are paid on time.
- Use a written receipt system to document payment or receipt of alimony/maintenance funds.
- 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.
- Review your new tax situation and change federal and state withholding as needed via mypay.dfas.mil. Reserve members will need to do this with their employers as well.
- Update personal property tax records in your city and/or county to reflect your new marital status, if appropriate.

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. Review the handouts on "Major Purchases" and "5 Rules of Buying a House" for more information.
- Work with the base housing office for any housing needs related to the change in your marital status.
- Review the "Education Benefits and Savings" and "Paying off Student Loans" handouts to learn more about financing education, available benefits, obligations, and repayment options.

Additional notes: _____



PLANNING FOR THE FUTURE

- Review your retirement savings goals. Ensure you understand your ex-spouse's rights to your retirement funds and benefits, and ensure that Individual Retirement Account (IRA) and other investment accounts are in your name only or your interest in those accounts is legally protected to the fullest extent possible under the law. For more information on components of military retirement and the TSP, refer to the handouts entitled "Military Retirement" and "Thrift Savings Plan."
- Update beneficiaries of your Thrift Savings Plan (TSP) and Individual Retirement Accounts (IRA), as appropriate.
- 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, then 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 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.

- Update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI), if appropriate.
- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.
- Update your auto insurance policies, to inform your insurance carrier of your new marital status.
- Disability Insurance: If your ex-spouse pays alimony or child support, if it is possible and feasible, take out a life and/or disability insurance policy on him or her.



Preparing for Divorce

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

This *Preparing for Divorce* course is comprised of 11 parts:

- 1. Introduction and Agenda**
 - Welcome
 - Facilitator Introduction
 - Review of Agenda
- 2. Administrative Tasks**
 - Documents
 - Marriage Settlement Agreement
 - DEERS
 - Change to Pay
- 3. Financial Planning**
 - Spending Plan
 - Emergency Fund
 - Banking
- 4. Managing Credit and Debt**
 - Understanding Credit
 - Managing Debt
- 5. Retirement**
 - Retirement Savings Goals
 - Thrift Savings Plan
 - Qualified Domestic Relations Order
 - Uniformed Services Former Spouse Protection Act
- 6. Other Benefits**
 - Survivor Benefits
 - Education Benefits
- 7. Housing and Vehicles**
 - Housing Needs
 - Transportation Needs
- 8. Insurance**
 - Medical and Dental
 - Property and Disability
 - Life Insurance
 - Life Insurance Needs
- 9. Legal Documents**
- 10. Income Taxes**
- 11. 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: Update personal spending plan. Understand changes in basic pay and allowances as a result of the birth of a child. Be able to develop a spending plan that accounts for necessities and addresses cash flow changes due to child support or spousal support.
2. **TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.
ELO: Understand how to update federal and state withholding as needed.
3. **TLO:** Recognize and understand how to protect against misleading consumer practices, and report consumer complaints.
ELOs: Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Be able to access and read a credit report to identify potential fraudulent activities. Understand credit fraud and the process for placing alerts and freezes on accounts. Know which federal agencies support consumer protections and how to find information.
4. **TLO:** Understand education financing, to include available benefits, obligations, and repayment options.
ELOs: Be able to assess the cost of educational programs. Know a variety of education benefits available to Service members and families. Understand general information on various financial aid options such as grants, scholarships and loans. Understand the value of saving early. Identify, compare and contrast educational saving programs.
5. **TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
6. **TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.
ELOs: Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the need to update insurance levels and premiums to cover liabilities. Understand benefits of flexible spending accounts.
7. **TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, power of attorney, etc.).
ELOs: Understand estate planning considerations. Know why it is important to update estate planning documents and beneficiaries.
8. **TLO:** Discuss TRICARE options and costs.
ELOs: Know how to add or remove dependents to/from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review benefits and costs of various health insurance options. Know which health care benefits will be utilized for varying scenarios.
9. **TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
10. **TLO:** Recognize the importance of and be able to develop savings and an emergency fund.
ELOs: Understand the importance of starting and maintaining emergency savings. Know how to set emergency savings goals. Know various methods and modes for keeping emergency funds. Know how to assess how much should be kept in an emergency fund. Be able to set guidelines for starting and replenishing an emergency fund.

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 needed:

- Projector/screen
- *Preparing for Divorce* course PowerPoint slides
- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils
- Course sign-in sheet
- Course evaluations

Forms and Handouts:

- *Preparing for Divorce* Checklist
- *Spending Plan Worksheet* Handout
- *Major Purchases* Handout
- *5 Rules of Buying a House* Handout
- *TRICARE Overview* Handout
- *Estate Planning* Handout
- *Paying off Student Loans* Handout
- *Education Benefits and Savings* Handout
- *Understanding Credit* Handout
- *Military Retirement* Handout
- *Thrift Savings Plan* Handout
- *Survivor Benefits Overview* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* Handout

IV. CONTENT



SLIDE 1

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.)

Divorce is a stressful life event in many ways. Today, my goal is to help reduce the stress and uncertainty associated with the financial aspects of divorce.

Over the next 60 minutes, I'll share information that will help you prepare to make smart, informed financial moves so you can emerge from your divorce with greater financial confidence. So let's get started!



SLIDE 2

Agenda

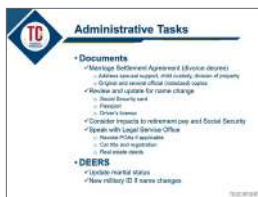


INSTRUCTOR NOTE: *Preparing for Divorce* Counselor Checklist

To help you understand the content in this presentation, we will use the *Preparing for Divorce* Counselor Checklist to explore:

- ✓ Administrative Tasks
- ✓ Financial Planning
- ✓ Managing Credit and Debt
- ✓ Retirement and Other Benefits
- ✓ Housing and Vehicles
- ✓ Insurance
- ✓ Legal Documents and Taxes

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



SLIDE 3

Administrative Tasks

Reorganizing your finances to adjust to your divorce starts with some administrative tasks. Let's take a look at what you need to take care of by following the Financial Implications of the *Preparing for Divorce* Checklist we provided.

Documents

First, you will need to get a variety of documents in order. If you are even considering divorce, you need to start looking at all your household financial documents and make copies of everything. To include: bank accounts, investments, retirements, credit cards, loans, airline miles, stock options, season tickets...

The first document is your "marriage settlement agreement" (divorce decree). This document should specifically address spousal support, child custody, and the division of property (including financial assets).

Get several copies of your marriage settlement agreement. Official copies are often embossed or stamped in some way. You may need to present official copies to several different agencies and institutions as you update your marital status.

If you are changing your name, update your Social Security record and other forms of identification, such as your military ID, passport and driver's license.

Be prepared for impacts to your retirement pay and Social Security. Under the terms of the Uniformed Services Former Spouses Protection Act of 2011, some former spouses may be entitled to a portion of your military retired pay. You can learn more about this at MilitaryOneSource.mil.

To understand how divorce may affect your Social Security benefits, go to the Social Security website at ssa.gov.

Your Legal Services Office can help you with other changes, such as revoking powers of attorney you may have granted to your spouse, as well as updating vehicle titles and real estate deeds.

DEERS

Another important step is updating DEERS to change your marital status. This has to be done in person. When you go to the DEERS/RAPIDS office, bring your divorce decree. This is also an opportunity to get a new military ID if you're changing your name.



SLIDE 4

Financial Planning



INSTRUCTOR NOTE: *Spending Plan Worksheet* and *Major Purchases* Handouts

Now that we have covered those basic administrative chores, let's turn to financial planning. Good financial planning starts with efficient cash management.

Spending plan

Create a spending plan for your new life. A spending plan is a way to map out all your current income and expenses, including everything from bills and debt payments to retirement plan contributions.

Be sure to include any spousal or child support payments that result from your divorce. You may also have costs from the divorce process itself, such as travel, required classes, filing fees, and other legal fees.

Changes to pay

After you've updated DEERS, take a good look at your LES to make sure the changes are reflected in your pay and allowances. Watch out for overpayments. Money paid to you in error will be recollected – so don't spend it.

We're providing you with a *Spending Plan Worksheet* to help you with this step.

In addition to giving you a clear picture of where you stand, a spending plan also lets you set goals for how you use your money each month. For example, you can plan to decrease spending on some items, and use the extra money to pursue goals such as paying down debt or saving for the future.

Emergency fund

Everyone should have an emergency fund. This is money that's kept in a low-risk account, such as a savings account. It should be an account that you can access easily and without any penalties in case you have an emergency.

The idea of an emergency fund is having some cash on hand so you don't have to take on expensive credit card debt when surprise expenses pop up.



ACTIVITY: Ask attendees to think of some examples of unexpected expenses that an emergency fund could help cover. Answers may include: vehicle repairs, home repairs, insurance deductibles, appliance replacements, travel on short notice, job losses.

How much should you have in your emergency fund? Experts generally say it should be equal to 3 to 6 months of your regular living expenses. One-income households are generally more vulnerable to financial surprises. If divorce leaves you with one income, you may want to aim for the longer end of that range.

Banking

You should also review your banking and credit card arrangements. As appropriate, you may want to close all joint credit card, bank and credit union accounts and safe deposit boxes and open new accounts in your own name as soon as possible. Seek professional financial or legal counseling if you're unsure about taking that step.

While you're at it, this is a good time to consider moving to a new bank or credit union. With some shopping around, you may find an institution with lower fees, and better interest rates on savings accounts and credit cards. Review your system for paying bills. Late payments can put a big dent in your credit score, so it pays to stay on top of things. Consider paying bills through an automatic withdrawal from a checking or savings account.

Whether you're on the giving end or receiving end, keep records tracking all alimony and child support payments.

Managing Credit and Debt



INSTRUCTOR NOTE: *Understanding Credit, Military Consumer Protection, Sources of Help for Military Consumers* Handouts. For more information about Understanding Credit and Debt, attend a class at your local Installation Family Service Center.

The decisions you make about debt and credit have a major impact on your financial success.

Understanding credit

At annualcreditreport.com, you can request a free copy of your credit report. There are three major credit bureaus and you can request a free report once a year from each one of them. Your credit report shows all the current credit that's open in your name, as well as your past history.

When you get your report, look at it carefully and report any errors you find. You may see debts you didn't realize you still owed. Pay them off right away. As you go through and emerge from your divorce, pay special attention to your credit report to monitor for unauthorized activity. Request a report from one or two credit agencies now, and then from the third one in six months. Do it again after a year.

Your credit report is different from your credit score. Your credit score is a number between 300 and 850. It tells lenders how good a risk you are. A score above 660 is considered to be a good risk.

If your score is too low, you may have a hard time being approved for loans or credit cards. The higher your score, the better chance of being approved and the lower your interest rates will be.

There are five key factors that drive your score. Approximately 65% of your score comes from your payment history and the amounts owed. Be sure to make all your payments on time and to avoid carrying large balances. On credit cards, avoid carrying a balance that's larger than 30% of your credit limit. Unlike your credit report, you're not entitled to see your credit score without paying for it. Some paid credit monitoring services include it as part of the package. Currently, your FFSC Personal Financial Manager/Counselor has a free credit report/score analysis tool available to military members and their spouses to review their credit history and their FICO credit score.

Managing debt

If you have joint debts with your spouse or ex-spouse, they remain a shared responsibility as long as your name is on the account, no matter who originally took out the debt or why or who was assigned responsibility in the divorce decree.

If possible, settle all your outstanding joint debts. Closely monitor outstanding joint debts that continue. If your ex-spouse has agreed to make payments, make sure they're doing so. If payments are missed, it will hit your credit report and credit scores too.

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

- ✓ First, if you have multiple debts, you should generally start by first paying down the debt that has the highest interest rate.
- ✓ Look for opportunities to transfer your debts to lenders that will charge you a lower interest rate.
- ✓ As you eliminate a debt payment, use that extra money to start attacking the next debt.

There are a few guidelines to help you avoid taking on too much new debt.

- ✓ Try to limit your total housing cost to no more than your BAH or 25% of your gross income. Gross income is your income before taxes.
- ✓ Your transportation cost shouldn't be more than 15% — 20% of your gross income.
- ✓ Your total debt – mortgages, car payments, credit cards and other loans – should be less than 36% — 43% of your gross income.



SLIDE 6

Retirement



INSTRUCTOR NOTE: *Military Retirement and Thrift Savings Plan Handouts*

Retirement is one of the most important goals any of us will save for. It's also one of the most expensive. Moreover, unlike other goals, we typically don't get a second chance to get this one right.

Review retirement savings goals

Start by deciding how much you'll save for retirement over the next year. The more you save, the better. As a starting point, many experts recommend that you save at least 10% — 15% of your gross income.

Next, think about where you will save. The Thrift Savings Plan is usually a good choice. As you evaluate where to direct your retirement money, consider:

- ✓ If the employer matches your contributions.
- ✓ How quickly you become vested in those employer contributions. Vesting means when the money that the employer chips in becomes yours. For example, some employer plans will say an employee only gets to keep the money after they've worked there for three years.

Next, decide how you will invest. An important driver with this decision is how much risk you're comfortable taking. For example, how will you react if there's a bad market that pushes your balance down 20% in a short period of time? Be sure to take a diversified approach to investing. That means putting your money in a variety of different types of investments, such as bonds, U.S. stocks, international stocks, large stocks and small stocks.

The TSP and many other retirement plans offer investment options that take some of the guesswork out of investing for retirement. These are often called "lifestyle" or "target" funds.

Thrift Savings Plan (TSP)

Be sure to review your beneficiary designations on your Thrift Savings Plan and update them as needed. If your ex-spouse is listed as your beneficiary, you may want to choose someone else, if it's in accordance with your divorce decree. You should also review your investment choices and your contribution rate.

You should also review and update the beneficiaries on any IRAs you have.

Uniformed Services Former Spouses Protection Act

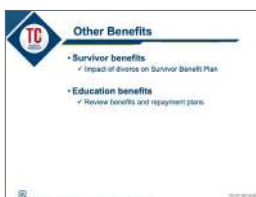
This law allows state courts to divide military retired pay between Service members and ex-spouses. It can also allow for an ex-spouse to receive that retired pay directly from the government.

QDRO

If you're going to split the balances of retirement accounts such as an IRA, Thrift Savings Plan or 401(k), you may need to obtain what's called a Qualified Domestic Relations Order (QDRO, often pronounced "quad-ro"). If needed, it should be part of the divorce settlement.

Don't try cutting corners here. If you split retirement accounts without a QDRO, you may be hit with both regular income taxes and penalty taxes, too.

After you submit your QDRO, follow up with the retirement plan administrator to make sure they've accepted it and properly handle the split of the assets.



SLIDE 7

Other Benefits



INSTRUCTOR NOTE: *Education Benefits and Savings, Survivor Benefits Overview and Paying off Student Loans Handouts*

Survivor benefits

The Survivor Benefit Plan (SBP) lets retired Service members ensure that, after their death, a lifetime annuity is paid to dependents. If you're close to retirement, talk to an SBP counselor to discuss the impact of your divorce on your SBP choices. Your ex-spouse may have been awarded SBP in the divorce and it will have to be elected when you retire.

Education benefits

Check out any education funding changes needed as a result of your divorce. For example, if you have student loan debt and you're on an income-based repayment plan, you may need to request to adjust the amount of your payment. An ACS financial counselor can help you with more information on that as well as the *Paying off Student Loans Handouts*.



SLIDE 8

Housing and Vehicles



INSTRUCTOR NOTE: 5 Rules of Buying a House and Major Purchases Handouts

Next, let's look at adjustments you may need to make regarding your home and your vehicles.

Housing needs

Inform your base housing office about your divorce so they can advise you on how it will affect your situation.

If you and your divorcing spouse own a home together, your divorce decree may call for you to convert the ownership of the property from both of you to just one of you. This is done by executing something called a quit claim deed. This deed must be filed with the county recorder where the property is located. You may also be required to refinance your mortgage or work out a mortgage assumption. You may want to speak with legal counsel to discuss these changes to property ownership per your divorce decree.

If you will be purchasing a home, start planning now. Check your credit report and score, set a budget, obtain a mortgage pre-approval and start saving up for a down payment and move-in expenses. We also have two Handouts for your review: *Major Purchases* and *5 Rules of Buying a House*.

Change your electric, cable, water, other utilities and other household accounts so they're only in the name of the person who will still be living in the home or apartment.

If your mailing address is changing, notify all your creditors, subscription services, and other companies you have ongoing relationships with.

Transportation needs

Update your car title and registration as needed. If you have questions about how to do this, contact your legal office.

If you will be purchasing a car, prepare for that purchase now. As with a home, you should check your credit report and score, get a loan pre-approval and start saving up for a down payment. The more you put down, the lower your payment will be.



SLIDE 9

Insurance (Medical, Dental)



INSTRUCTOR NOTE: *TRICARE Overview* Handout

Insurance protects us against a variety of different financial risks. Divorce is an important time to review and update your protection plan.

TRICARE

We are going to discuss the following aspects of insurance: medical, dental, property, disability and life.

Let's start with medical and dental insurance. In general, notify your insurer about your divorce and, as appropriate, remove your spouse.

Medical coverage

If you have **TRICARE** or **TRICARE Reserve Select**, visit the DEERS office to remove your ex-spouse. Bring your divorce decree. You can set up an appointment at rapids-appointments.dmdc.osd.mil. Only sponsors can add or remove family members from DEERS.

There are scenarios where unmarried former spouses remain eligible for TRICARE coverage. You can learn more about this at tricare.mil. This is most likely noted in your divorce decree.

Reserves

If you are part of the reserve you may have coverage through civilian employment. Review your coverage. Request your ex-spouse be removed. They will require the divorce decree.

Dental coverage

Contact your insurer to update and review any dental coverage your ex-spouse was enrolled in. They may require a copy of the divorce decree to cancel.



SLIDE 10

Insurance (Property, Disability)

Property

Notify your auto insurer and obtain updated proof of insurance cards. In addition to changing who's insured under the policy, review the annual mileage estimate to make sure it reflects your new situation.

You should also review your property coverage – meaning homeowners and renters insurance. As needed, change these policies so they're only in one of your two names.

Make sure you have enough protection for individual, high-value items. Most policies have limits on certain types of property, and you can get additional coverage by adding what's called a personal articles floater. Also tell your insurer if you're adding or removing a pet from your home.

If you're renting, understand that your landlord's insurance protects the building but doesn't cover your stuff. That's why renters insurance is very important.

Property insurance doesn't only cover possessions, it also protects you from liability claims, like someone falling down your stairs and hurting themselves. Liability coverage also protects you for many liability claims that happen away from your property. You can get extra liability insurance by purchasing what's called an "umbrella" policy.

Consider purchasing disability insurance. Also if your ex-spouse will be paying you alimony or child support, and if it's feasible, you may want to take out a disability insurance policy on him or her. This will help insure there's a source of funds if that person becomes unable to earn income.



SLIDE 11

Life Insurance (SGLI, FSGLI, Private)

Life Insurance

After your divorce, you may still have others depending on you. Make sure you have enough life insurance protection so they don't face financial hardship if you're not around.

Review and update your SGLI. The SGLI Online Enrollment System makes it easy to adjust your coverage without having to make a trip to an office or fill out paper forms. Those adjustments may include removing a spouse you had covered under Family SGLI.

Servicemembers' Group Life Insurance (SGLI)

You can buy up to \$400,000 in SGLI coverage. You're automatically insured for \$400,000 unless you decline coverage or choose a smaller amount.

Use the SGLI Online Enrollment System (SOES) to update your coverage amount or change your beneficiaries as needed. Sign in to dmdc.osd.mil/milconnect and go the Benefits tab.

Reserve members assigned to a unit scheduled to perform at least 12 periods of inactive duty creditable for retirement purposes can purchase full-time SGLI coverage that is in effect 365 days of the year.

Family Servicemembers' Group Life Insurance (FSGLI)

Divorced spouses can convert their FSGLI coverage to a permanent, individual policy within 120 days of the divorce. To do so, they must choose an eligible insurer, apply with that company, and present proof of FSGLI coverage and the divorce. You can learn more at va.gov.

Each dependent child is automatically covered for \$10,000 when they're enrolled in DEERS. That can continue after your divorce.

If you need more coverage for yourself, you can buy your own individual life insurance policies from private insurers. You may also want to arrange to purchase life insurance on your ex-spouse, if that person will be paying you alimony or child support. This may be something that's negotiated under the marriage settlement agreement.

Private Life Insurance

Review private life insurance coverage you have and update beneficiaries as needed. Keep in mind your will does not overrule your beneficiary designations. That means if an ex-spouse is listed as a life insurance beneficiary and you die, the ex-spouse will get the money no matter what your will says.

If you're looking for more life insurance, there are two main types: term insurance, and permanent insurance. Think of term insurance as temporary coverage that lasts for a certain period of years. Permanent insurance is designed to last your entire life.

Permanent insurance costs more, but also builds cash value. Term gives you the most coverage for your dollar right now.

Watch out for policy exclusions. These are things that are not covered. Watch out for war clauses or other restrictions you may not have known about.

If you want to buy additional coverage, avoid accidental death insurance. You should be looking for life insurance, which generally covers any cause of death (other than a suicide that happens in the first two years of the policy).

SLIDE 12

Life Insurance Needs

Here is a simple way to calculate your life insurance needs:

- ✓ Liabilities are debts you would like to pay off, such as a mortgage, car loans or credit cards.
- ✓ Next, think about how much of your annual income you'd like to replace. Multiply that by the number of years. So, if you want to replace \$20,000 of income for 25 years, that's \$500,000
- ✓ Then come up with how much to set aside for funeral and other final expenses.
- ✓ Finally, think about the money you'd like to provide for your survivors' education and other goals.

After you've added it all up, subtract SGLI and other coverage you already have plus assets and benefits available at your death.

SLIDE 13

Legal Documents



INSTRUCTOR NOTE: *Estate Planning Handout*

Next, we will look at estate planning and taxes.

Estate planning is arranging for your wishes for your wishes to be carried out by your survivors if you die or become incapacitated.

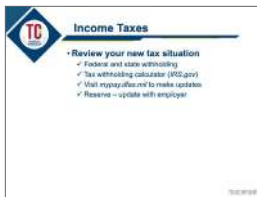
Estate planning can include things like:

- ✓ Writing a will
- ✓ Giving someone else a "power of attorney," which lets them handle transactions on your behalf
- ✓ Creating a "living will" or medical directive that gives legal instructions about your preferences for medical care
- ✓ Titling your assets, which means selecting ownership arrangements for those accounts that make it easier for your survivor to inherit them

If you've already done some or all of these estate planning tasks, they should all be reviewed now that you're divorcing. If you haven't done any estate planning, now is a good time to get started.

While you're updating or creating an estate plan, review your home of record. That state's laws will dictate how your will is handled in probate and which state inheritance or estate taxes might apply to your assets. It also dictates your exposure to state income taxes.

Your military legal service office can help you create and update documents and make informed decisions.



SLIDE 14

Income Taxes

Divorce can affect your income taxes. Review your new tax situation and change your federal and state withholding as needed. At [irs.gov](https://www.irs.gov), there's a tax withholding calculator that can help you figure out how to set up your withholding. Then you can make the change at [mypay.dfas.mil](https://mydfas.mil).

If you have a civilian employer, ask your manager or HR department how to adjust your withholding.

Make sure you have your ex-spouse's and children's Social Security numbers. You may need them to file your tax returns.

You or your former spouse may need to sign an IRS Form 8332, Release/Revocation of Release of Claim to Exemption by Custodial Parent. This form tells the IRS who's entitled to claim the children on a tax return. This should have been stated in your parenting plan and/or divorce decree.

If you own real estate, you may need to update the government agency that collects property taxes in your city and/or county.

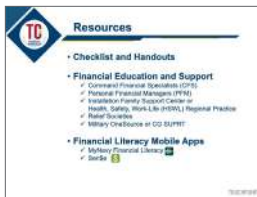


SLIDE 15

Summary

Divorce is tough, that's why it's important to have a plan in place to help get you through the toughest of financial times. This training is a move in the right direction. Let's recap what you learned.

- ✓ Administrative Tasks
- ✓ Financial Planning
- ✓ Managing Credit and Debt
- ✓ Retirement and Other Benefits
- ✓ Housing and Vehicles
- ✓ Insurance
- ✓ Legal Documents and Taxes



SLIDE 16

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.



SLIDE 17

Thank You!

Thank you for participating, and I wish you the best as you plan your new future.

CFS Preparation: Distribute and discuss the Divorce 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 not an easy one. Divorce is a difficult event to go through. The goal of today’s discussion is to make sure you take the necessary steps to update your financial documents to reflect your change in marital status. This includes administrative requirements and considerations to protect the financial plan you have worked hard on.

The following videos will cover the financial planning effects of divorce. So, whether you find yourself going through the divorce process now, or if your divorce is final, you will find the information helpful in adjusting your finances to your new life.

Play Videos 1 & 2

Discussion Questions



1. Course Overview

1. Life, work, activities, and even emotions of a divorce can cause procrastination on tasks that must get done. What ways can you make sure essential tasks are accomplished?

CFS Talking Points: It can be helpful to list out tasks that need to be accomplished and create a deadline for yourself. Complete the tasks you dread most first OR the smallest tasks first. Choose what motivates you to get stuff done. Take one thing at a time. Prioritize and communicate with your command if you need time during work hours to complete items.



2. Documents

2. Important paperwork, like your divorce decree and updated will, must be kept organized and secured. Like with other financial documents what practices are best?

CFS Talking Points: Ensure you have original copies; have a file folder to store documents; label documents accordingly in file folder; immediately return to folder after use; keep in safe at home while not using; be sure not to pack in unknown boxes when moving — carry with you. If digital copies are kept, use passwords to protect sensitive information. Make sure you change any passwords your ex spouse knew.

Knowledge Check

Question: What documents and entities do you need to update if you decide to change your name as a result of divorce?

Answer: Not limited to... Social Security card, military ID, other IDs, driver license, passport, employer, voter registration, utilities, insurance, bank (checking, saving, investments, debts), property titles, deeds, trusts

PART 2: Transition to Financial Planning

CFS Intro: Up next are areas of your day-to-day expenses that need careful attention as a result of your divorce.

Play Videos 3, 4, & 5

Discussion Questions



3. Transition to Financial Planning

1. How will your household finances change as a result of your divorce?

CFS Talking Points: Roles may have shifted, so it is important to do a thorough review to ensure all obligations are being met. Start with creating a budget and identify action steps such as establishing and funding an emergency fund, check due dates on bills, close joint accounts (you may need joint owner consent). It's essential to find a routine/system that works for you. Research how your tax situation will change: Will you now be filing Single or Head of Household? Will you downsize your home or other major areas of your life?



4. Spending Plans

2. What new goals do you have with your finances?

CFS Talking Points: It is important to update or create new financial goals. The financial plan you had was based on a set of goals with someone else, now that has changed, so revise your expenses, savings/investing goals, tax withholding, insurance and retirement plan.



5. Bank Accounts, Bill Paying, Emergency Funds

3. Are there any areas of your finances you have identified that you will need to coordinate with your ex-spouse?

CFS Talking Points: Alimony, child support, shared assets and liabilities

Knowledge Check

Question: What are general guidelines for saving and investing, housing expenses, and vehicle expenses in relation to your income?

Answer: Saving and investing at least 10%-15% of pretax income; housing no more than 25% of pretax income; vehicle expenses no more than 15-20% of pretax income.

Question: How do you update your tax exemptions to change tax withholding from your pay?

Answer: myPay or Direct Access for Coast Guard

PART 3: Credit Reports and Scores

CFS Intro: Understanding credit now can make life much easier when it comes to a divorce.

Play Video 6



6. Credit

Discussion Question

What are reasons as to why you should be concerned about joint accounts that are listed on your credit report, and what can you do to protect yourself?

CFS Talking Points: Untangling your financial lives can be difficult but necessary. Divorce proceedings don't affect your credit report and score directly. Even though your divorce decree may state that joint accounts will now be the responsibility of one party, your creditor doesn't know that and doesn't care. If you entered into a joint legal agreement with your spouse to repay a loan, credit card, etc., the lender has the right to require you to meet your obligation, even if the divorce decree says differently.

It is important to separate accounts after divorce as your spouse could abuse credit lines and fail to make payments on time, which will affect your credit score. Start by checking your credit report to identify how accounts are listed. Close joint accounts and remove your name on any accounts where you are an authorized user. Do the same if your ex-spouse is an authorized user on any of the accounts you will continue to use. Change the passwords to bank accounts and request new card and PIN numbers. Vehicles and homes will most likely need to be refinanced in the assuming party's name.

Knowledge Check

Question: Which credit reporting agency is required by law to provide you a copy of your report each year?

Answer: All three credit reporting agencies — Equifax, TransUnion, and Experian. Use www.annualcreditreport.com to view or contact your installation Financial Counselor.

Question: The FICO score which is the most commonly used credit score, ranges from 300 to 850. What do lenders generally consider a good FICO score?

Answer: Generally above 660, however this can vary by lender

Question: What part of your FICO score has the largest percentage impact?

Answer: Payment history which is 35% of your FICO score

PART 4: Transition to Financial Planning

CFS Intro: The next few videos will cover some additional financial planning topics to revisit as a result of your divorce. Take note of specific areas you will need to update.

Play Videos 7 & 8

Discussion Question



7. Transition to Financial Planning, Pt. 2

Splitting assets with an ex-spouse can have financial and emotional implications. The tasks can add additional stress if you feel a deep connection from the hard work you put in to accumulate them. What should you keep in mind as this process occurs?

CFS Talking Points: Keep a clear head. Move forward with the process once the divorce decree is final. Work toward accomplishing the requirements of the decree so that you can close that book and move on. Focus on the future, which will require a new financial plan to meet your new financial goals. Be determined and focused with a fresh vision for what your financial future holds.



8. Retirement Planning

Knowledge Check

Question: If you named your spouse as a beneficiary for your TSP account, will divorce null that election?

Answer: No! Even if you have updated your will, the beneficiary designation will supersede the will. If you wish to update your TSP beneficiary, do so using Form TSP-3. If you are unsure whether you filled out the form, check your TSP account to verify.

Question: What court document allows splitting of retirement account assets without tax implications?

Answer: Qualified Domestic Relations Order (QDRO)

PART 5: Transition to Insurance

CFS Intro: Your insurance needs may have changed as a result of the divorce so it's important to revisit this topic. The next two videos will dive into insurance coverage needs and possible updates to life, property, health and disability types of insurance.

Play Videos 9 & 10



9. Life
Insurance



10. Health,
Property, and
Disability Insurance

Discussion Question

How might your life insurance needs have changed as a result of divorce?

CFS Talking Points: Life insurance is often connected with your spouse. This will change when your spouse becomes your ex-spouse. It will be spelled out in the divorce decree if you are required to carry a certain level of life insurance. For instance, you may be required to continue spousal and child support. Did your liabilities increase or decrease? Will your wishes for your final expenses change?

Knowledge Check

Question: How long can your ex-spouse keep Family Servicemembers' Group Life Insurance (FSGLI)?

Answer: 120 days

Question: How do you update your beneficiary for Servicemembers' Group Life Insurance (SGLI)?

Answer: Milconnect website. Sign into CAC (LINK?). Navigate to the "Benefits" tab. SGLI Online Enrollment System.

Question: When would you consider taking out a disability policy on your ex-spouse?

Answer: If your ex-spouse pays alimony or child support to you, and you rely on those specific funds to cover immediate needs, the insurance would protect you if they become disabled.

PART 6: Transition to Property Ownership

CFS Intro: Let's continue the money conversations. Additional discussion is needed to include assets such as vehicles, housing, and other property that ownership and responsibility has changed as a result of divorce.

Play Video 11

Discussion Questions



11. Housing & Vehicles

1. What will you need to put in your name only if you decide to stay in the same residence you shared with your ex-spouse?

CFS Talking Points: As the video mentioned, you will want to make sure all bills, policies, the deed and lease are in your name if you are staying put. This is to protect you should your ex-spouse try to make changes. Have students list out examples — electric, water, gas, pest, security system, trash, HOA, renters insurance, homeowners insurance, deed to house

2. What will you need to remove your name from if you decide to move out of the residence you shared with your spouse?

CFS Talking Points: Instead of ADDING your name to everything, make sure to REMOVE it from everything. Use the list that was created with previous discussion question to review.

Play Video 12



12. Recap

CFS Conclusion: Speak with a Financial Counselor on base if you have questions or concerns following this discussion on the financial considerations of your divorce. You are not in this alone. This installation has the resources to assist you as you navigate these changes.

CFS Note: You will need the contact information for the Financial Counselor, legal office, and other available resources relevant to divorce.



Preparing for Divorce

Presentation





1


Agenda

- Administrative Tasks
- Financial Planning
- Managing Credit and Debt
- Retirement and Other Benefits
- Housing and Vehicles
- Insurance
- Legal Documents and Taxes

 Preparing for Divorce Counselor Checklist Available

TOUCHPOINT

2




Administrative Tasks

- **Documents**
 - ✓ Marriage Settlement Agreement (divorce decree)
 - Address spousal support, child custody, division of property
 - Original and several official (notarized) copies
 - ✓ Review and update for name change
 - Social Security card
 - Passport
 - Driver's license
 - ✓ Consider impacts to retirement pay and Social Security
 - ✓ Speak with Legal Service Office
 - Revoke POAs if applicable
 - Car title and registration
 - Real estate deeds
- **DEERS**
 - ✓ Update marital status
 - ✓ New military ID if name changes

TOUCHPOINT


3



Financial Planning

- **Spending plan**
 - ✓ Create and update your Spending Plan
 - Include spousal and child support if applicable
 - ✓ Complete the "Spending Plan Worksheet"
 - ✓ Check LES for correct pay and allowances and overpayments
- **Emergency fund**
 - ✓ 3 – 6 months of living expenses
- **Banking**
 - ✓ Close joint credit card / bank accounts / safe deposit boxes
 - ✓ Set up new accounts in your name
 - ✓ Establish a bill paying system
 - ✓ Document payment / receipt of alimony in writing

TOUCHPOINT



Spending Plan Worksheet and Major Purchases Handouts Available

4

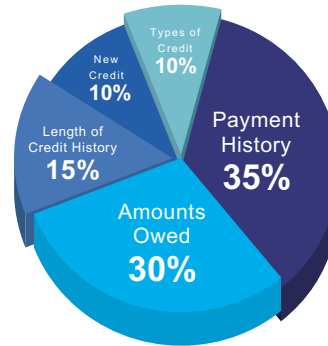
Managing Credit and Debt

• Understanding credit

- ✓ Visit *Annualcreditreport.com*
- ✓ Review credit reports and scores
- ✓ Correct errors
- ✓ Recheck credit report

• Managing Debt

- ✓ Settle joint debts if possible
- ✓ Monitor outstanding joint debts
- ✓ Debt reduction strategies
- ✓ Guidelines
 - Housing – Limit to BAH or 25% of gross income
 - Transportation – Limit to 15% – 20% of gross income
 - Total debt – Limit to 36% – 43% of gross income



Understanding Credit, Military Consumer Protection, and Sources of Help for Military Consumers Handouts Available

TOUCHPOINT

5



Retirement

• Review retirement savings goals

- ✓ How much will you save?
- ✓ Where will you save?
- ✓ How will you invest?

• Thrift Savings Plan (TSP)

- ✓ Review and update beneficiaries, contributions and investment elections

• Qualified Domestic Relations Order (QDRO)


• Uniformed Services Former Spouses Protection Act



Military Retirement and Thrift Savings Plan Handouts Available


TOUCHPOINT

6



Other Benefits


- **Survivor benefits**
 - ✓ Impact of divorce on Survivor Benefit Plan
- **Education benefits**
 - ✓ Review benefits and repayment plans



Survivor Benefits Overview, Education Benefits and Savings, and Paying off Student Loans Handouts Available


TOUCHPOINT

7



Housing and Vehicles


- **Housing needs**
 - ✓ Work with base housing office
 - ✓ Quit claim deed
 - ✓ Change name on utilities and other household accounts
 - ✓ Prepare finances for home purchase if applicable
 - ✓ Update mailing address with all creditors
- **Transportation needs**
 - ✓ Prepare finances for car purchase if applicable
 - ✓ Refinancing may be required to remove ex-spouse from vehicle loan
 - ✓ Update car title and registration



5 Rules of Buying a House and Major Purchases Handouts Available


TOUCHPOINT

8



Medical and Dental Insurance

- **Update medical coverage – DEERS and TRICARE**
 - ✓ Visit DEERS office to remove ex-spouse
 - Active Duty – TRICARE
 - Reserve – TRICARE Reserve Select
 - Unmarried former spouse eligibility scenarios
- **Reserves**
 - ✓ Reservists can review and update coverage through civilian employment
- **Update dental coverage**



TRICARE Overview Handout Available

TOUCHPOINT

9




Property and Disability Insurance

- **Review and update your current insurance policies**
 - ✓ Auto
 - Remove ex-spouse from list of drivers if necessary
 - ✓ Property (homeowners / renters)
 - Policy in your name only as appropriate
 - ✓ Private health and life insurance
- **Consider purchasing disability insurance**
 - ✓ Policy on ex-spouse to cover alimony / child support

TOUCHPOINT

10




Life Insurance

- **Servicemembers' Group Life Insurance (SGLI)**
 - ✓ Review coverage and update beneficiaries if appropriate
 - ✓ SGLI Online Enrollment System (SOES)
 - ✓ Reserve members coverage
- **Family Servicemembers' Group Life Insurance (FSGLI)**
 - ✓ Option to convert spousal coverage to permanent
 - ✓ Dependent coverage for children can continue
- **Private Life insurance**
 - ✓ Review coverage and update beneficiaries if appropriate
 - ✓ Term vs. Permanent Policies

TOUCHPOINT

11




LIFE Insurance Needs

L liabilities (debts and obligations)		_____
I ncome (amount X number of years needed)	+	_____
F inal expenses	+	_____
E ducation and other goals	+	_____
<i>Subtract current coverage and assets</i>	-	_____
Your Total Need		<div style="border: 1px solid black; width: 100px; height: 25px; margin: 0 auto;"></div>


TOUCHPOINT

12



Legal Documents


- **Review and update important documents**
 - ✓ Will
 - ✓ Power of attorney
 - ✓ Living will
 - ✓ Medical directives
 - ✓ Asset titling



Estate Planning Handout Available

TOUCHPOINT

13



Income Taxes

- **Review your new tax situation**
 - ✓ Federal and state withholding
 - ✓ Tax withholding calculator (*IRS.gov*)
 - ✓ Visit *mypay.dfas.mil* to make updates
 - ✓ Reserve – update with employer

TOUCHPOINT

14



Summary

Divorce is tough, that's why it's important to have a plan in place to help get you through the toughest of financial times. This training is a move in the right direction.

Let's recap what you've learned.

- ✓ Administrative Tasks
- ✓ Financial Planning
- ✓ Managing Credit and Credit
- ✓ Retirement and Other Benefits
- ✓ Housing and Vehicles
- ✓ Insurance
- ✓ Legal Documents and Taxes

TOUCHPOINT

15

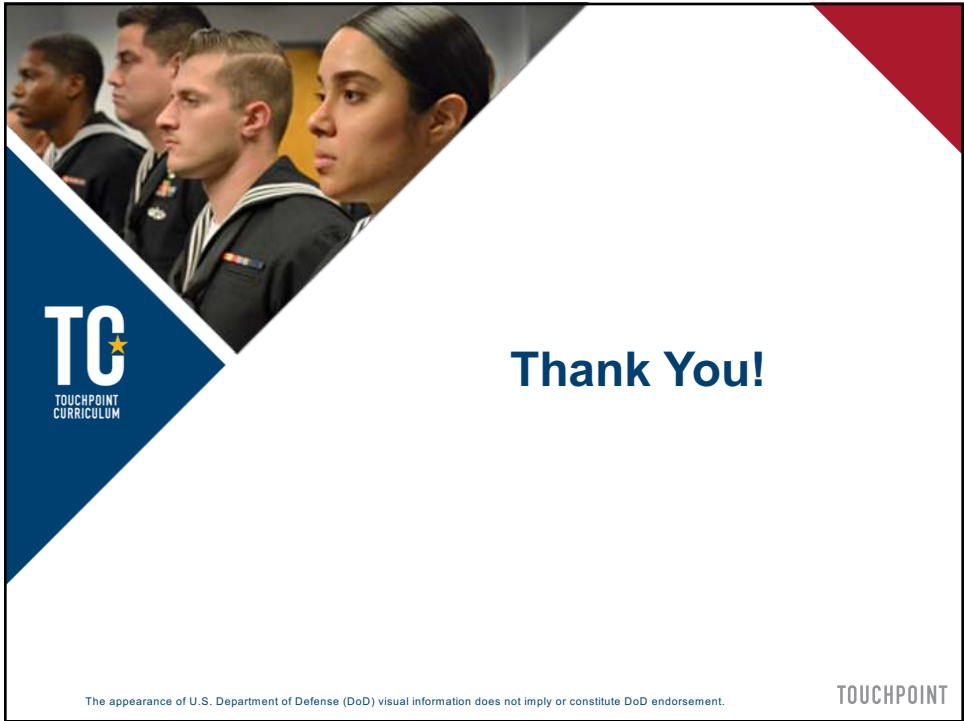


Resources

- **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

16



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 10

Disabling Sickness or Condition





Disabling Sickness or Condition

Student Manual



I. INTRODUCTION

After completing this chapter, you will understand how to assist Service members with financial considerations that often accompany a disabling sickness or condition – either that of a Service member or a member of their family. Combining caregiving with everyday needs can be challenging and overwhelming when a Service member or family member becomes disabled. As a Command Financial Specialist, you have the unique opportunity to help the Service member gather information, plan ahead, and know what resources are available. Being informed will help them make more knowledgeable decisions about finances, health care, insurance, and other considerations. 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: Update personal spending plan. Understand how to create a caregiving budget. Be able to compare costs and options of living arrangements for aging parents and ill or injured family members.
- 2. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELOs: Understand how and when to update tax information, dependents and deductions for state and federal liabilities. Understand what will be taxed.
- 3. TLO:** Recognize and know how to protect against misleading consumer practices, and report consumer complaints.

ELOs: Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Recognize fraud and scam tactics and know how to safeguard against them. Know which federal agencies support consumer protections and how to find information.
- 4. TLO:** Understand education financing, to include available benefits, obligations, and repayment options.
- 5. TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
- 6. TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.

ELOs: Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the purpose and implications of having an estate plan (beneficiaries, wills, trusts, powers of attorney, etc.). Understand basic Medicare and Medicaid benefits for aging parents.
- 7. TLO:** Understand the purpose and implications of having an estate plan (beneficiaries, wills, trusts, powers of attorney, etc.).

ELOs: Understand estate planning considerations. Know why it's important to update estate planning documents and beneficiaries.

8. **TLO:** Discuss TRICARE options and costs.
ELOs: Know how to add or remove dependents from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review the benefits and costs for various health insurance options. Know which health care benefits will be utilized for varying scenarios.
9. **TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
10. **TLO:** Recognize the importance of and be able to develop savings and an emergency fund.
ELOs: Understand the importance of starting and maintaining emergency fund. Know how to set emergency savings goals.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.gov>
- Military Compensation Policy — <https://militarypay.defense.gov/Pay>
<https://militarypay.defense.gov/Benefits.aspx>
- Defense Finance and Accounting Service (DFAS) — <https://www.dfas.mil>
- Defense Finance and Accounting Service (DFAS)/Survivor Benefit Plan (SBP) — <https://www.dfas.mil/retiredmilitary/provide/sbp.html>
- Internal Revenue Service (IRS) — <https://www.irs.gov>
- myPay — <https://mypay.dfas.mil>
- TRICARE — <https://www.tricare.mil>
- TRICARE — <https://www.tricare.mil/Plans/Eligibility/MedicareEligible>
- Department of Veterans Affairs (VA) — <https://www.va.gov>
- Military Health System — <https://health.mil>
- milConnect — <https://milconnect.dmdc.osd.mil/milconnect>
- milSuite — <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
BAS	Basic Allowance for Subsistence	BAS is an allowance to offset costs for a member's meals.
LES	Leave and Earnings Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
VA	Department of Veterans Affairs	This federal agency provides health and other benefits to eligible veterans and their families.

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)

- *Disabling Sickness or Condition* Counselor Checklist
- *Disabling Sickness or Condition* Counselee Checklist

Handouts:

- *Spending Plan Worksheet* Handout
- *5 Rules of Buying a House* Handout
- *Major Purchases* Handout
- *Education Benefits and Savings* Handout
- *TRICARE Overview* Handout
- *Military Retirement* Handout
- *Paying off Student Loans* Handout
- *Education Benefits and Savings* Handout
- *Estate Planning* Handout
- *Survivor Benefits Overview* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* 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.

- *Disabling Sickness or Condition* Touchpoint Checklists and Handouts
- *Disabling Sickness or Condition* PowerPoint (PPT) Training Slides and Instructor Guide (IG)
- *Disabling Sickness or Condition* Videos and Video Discussion Guides (VDG)

3. Online Training

- *Disabling Sickness or Condition* course (Navy e-Learning, MyNavy Portal or your service-specific e-Learning site)

VI. ADDITIONAL LEARNING AND ACTIVITIES

Planning and preparing for the financial considerations of a disability can be a stressful time for a Service member and their family. The training materials, Checklists, and Handouts are all about helping the Service member know what questions to ask, where and how to gather information, where and how to utilize resources, and making informed decisions about new considerations. Use these resources as solution-focused tools to help your Service member set goals, establish priorities, and develop a family action plan. In addition to the training materials contained in this Checklist, the Financial Counselors at your local installation Family Support Center can help your Service member with their specific situation.

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

- Review the *Spending Plan Worksheet* Handout and give participants time to fill it out.
Introduce the eFPW
- Review LIFE insurance needs estimate and discuss other insurance considerations
- TRICARE or Veterans Administration representative provide resource overview

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
- Family Financial Planning
- Your Insurance Needs
- Smart Transition Planning



DISABLING SICKNESS OR CONDITION

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

Combining personal, caregiving and everyday needs can be challenging and overwhelming if you or your family personal, caregiving and everyday needs can be challenging and overwhelming if you or your family member — whether a child or an adult — becomes disabled. It's important you gather information about the condition and discuss issues with others involved in their care. Being informed will help you make more knowledgeable health care decisions and improve understanding about any challenges your family might face.

Use this checklist as a solutions-focused tool to help set goals, establish priorities, and develop a family action plan. Space is provided to add notes and reminders about additional topics.

Counselor: Ask counsees where they are in this difficult process. Sacrifices are often made financially, professionally, and personally to support those they love. It's important you help them to understand the resources available to assist them and their family. Inquire about changes to military status, spousal employment, and additional expenses for things like caregiving, travel, medical equipment and therapies. If additional legal counsel is needed and/or cost prohibitive, the base legal office may be able to help find pro bono or reduced-fee assistance.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview



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 counsees 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. Ask the counselee questions to assess their current situation.

- Will your spouse need to quit their job due to their disability or to care for a child(ren) and/or aging parent(s)?
- Will you be medically separated or medically retired due to your disability?
- Will there be additional expenses for caregiving, traveling to/from appointments, equipment, therapies, etc.?

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

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. Add any additional monthly expenses for caregiving, travel to/from appointments, equipment, therapies, etc.

Counselor: Share with counsees the concepts of paying yourself first, automating savings, and keeping their emergency fund in a separate account. Remind counsees they can make saving 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.

- 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 they may be able to get a free copy of credit reports from the Personal Financial Counselor/Educator (PFM/E) at the FFSC. The PFM/E can also help them interpret their reports and discuss what they need to do to improve their scores.

- Review your new tax situation and change federal and state withholding as needed via mypay.dfas.mil. Reserve members will need to do this with their employers as well.

Counselor: Remind counsees that for additional help, they may wish to consult with a PFM/E at the FFSC or the on-base Volunteer Income Tax Assistance (VITA) office.

- Keep receipts and records of your medical and home modification expenses for tax purposes. You might be able to claim these expenses on your tax return. See IRS Publication 502 for more information and speak to a tax specialist.

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.

Additional notes: _____



MAJOR PURCHASES

- Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases. Review the handouts on "Major Purchases" and "5 Rules of Buying a House" for more information.
 - Do you need to modify your residence to accommodate for the disability such as wheelchair accessibility?
 - Will you need to make additional living arrangements such as long-term care facilities?
 - Do you need to modify or replace your vehicle to accommodate for the disability?

Counselor: Remind counsees to speak with financial counselors on their installation to build and review their spending plan before taking on any major purchases.

- Work with the base housing office for any housing needs related to your situation.

Counselor: Remind counsees that if they are renting a new residence, to be sure their lease contains a military clause.

- Review the "Education Benefits and Savings" and "Paying off Student Loans" handouts to learn more about financing education, available benefits, obligations, and repayment options.

Under certain conditions, federal student loans may be discharged. Visit this website link for more information: <https://studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge>.

Counselor: Remind counsees to check on GI Bill benefits, tuition assistance, and the College Level Examination Program (CLEP) to help cover or offset costs of higher education. Suggest, they may want to investigate if an income-based repayment plan is appropriate if their household income is changing.

Additional notes: _____



PLANNING FOR THE FUTURE

- Review your retirement savings goals. For more information on components of military retirement and the TSP, refer to the handouts entitled "Military Retirement" and "Thrift Savings Plan."
- Update beneficiaries of your Thrift Savings Plan (TSP) and Individual Retirement Accounts (IRA), as appropriate.
- 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, then 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 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.

If you are being separated due to disability, you are eligible to convert your SGLI coverage to VGLI (Veterans' Group Life Insurance). Coverage is not available for family members under VGLI. Consider obtaining private life insurance to meet family members' needs. Visit <https://www.va.gov/life-insurance/> for more information.

Counselor: Remind counsees 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.

- Update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI), if appropriate.

Counselor: Note that Reserve members assigned to a unit scheduled to perform at least 12 periods of inactive duty creditable for retirement purposes can purchase full-time SGLI coverage that is in effect 365 days of the year. They are also covered for 120 days following separation or release from duty. Refer counsees to www.benefits.va.gov/insurance/ for more information. Inform counsees that the SGLI Online Enrollment System (SOES) allows Service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office. To access SOES, they must sign into www.dmdc.osd.mil/milconnect and go to the "Benefits" tab, Life Insurance SOES-SGLI Online Enrollment System.

- Update/enroll your family members in Family Servicemembers' Group Life Insurance (FSGLI), if there has been a change.

- Review/update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.
- Review/update your auto insurance policies, if applicable.
- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney, etc.

Counselor: If a counselee does not yet have an estate plan, encourage them to develop a plan with assistance from the base legal office (active duty) or civilian legal services (Reserve; legal services are sometimes available through civilian employers). To help active-duty Sailors learn more about Navy legal services, refer them to www.jag.navy.mil/legal_services.htm. Suggest counselees should seek legal assistance as soon as possible. They should not wait until right before temporary duty (TDY) travel or deployment, when appointments may be difficult to get.

- Consider a testamentary/non-testamentary trust or ABLE account for your disabled spouse/child(ren)/parent. It may help protect income options for the disabled party should an inheritance disqualify them for state or government benefits they are enrolled in. Your base legal office can assist you in determining if this is a viable option for your situation.

Counselor: In certain cases, a Special Needs Trust (SNT) may need to be established for the counselee or their family member. A SNT is tailored to a person with special needs and is designed to manage assets for that person's benefit while not compromising access to important government benefits.

- Review/update home ownership and vehicle documents to ensure appropriate titling based on your state laws and estate planning needs.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- File a Veterans Administration (VA) disability claim if being separated from the military.
- Apply for disability income through the Social Security Administration (SSA). Spouses, children and disabled veterans may qualify for Social Security Disability Income (SSDI). Visit ssa.gov to locate an office near you.
- Verify/update family member(s) enrollment in TRICARE (active duty), TRICARE Reserve Select (Reserve members), or other health insurance plan. Review the handout, "TRICARE Overview" for more information. Visit www.tricare.mil to learn more about your options.

Counselor: Note that TRICARE Prime and TRICARE Select require annual enrollment. Counselees may also want to reassess their own TRICARE plan. Refer active-duty Sailors to www.tricare.mil/Plans/HealthPlans. Refer Reserve Component Sailors to www.tricare.mil/Plans/HealthPlans/TRS. Remind Reserve Sailors that they must ensure continuous, regular payments to stay enrolled in TRICARE Reserve Select. Irregular drill pay can cause Sailors and family members to be dropped until the next open enrollment period.

- Arrange coordination of benefits with TRICARE or another insurance carrier if your spouse is employed and also has health insurance.

Counselor: Remind Reserve counselees with civilian insurance plans to review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

- Enroll family members into the Exceptional Family Member Program (EFMP), for active duty and activated reservists only. Visit your medical treatment facility for information. Your Fleet and Family Support Center, EFMP Liaison can also assist you and your family with resources and information.
- Enroll family members in the Extended Care Health Option (ECHO) Program if applicable. For eligibility, they must already be enrolled in the EFMP. This provision is available for active duty and activated reservists only.
- Enroll family members in any federal and state health care programs available, such as Medicare and Medicaid, if eligible. Visit your state's public health department office or website for more information.
- Locate your nearest VA medical clinics and hospitals if you are being separated due to disability. You will need to complete the application for health benefits (VA Form 10-10EZ). Visit this website for more information <https://www.va.gov/health-care/apply/application/introduction>.
- Verify/update family member(s) enrollment in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.
- Review the "Survivor Benefits Overview" handout for more information on financial resources available to eligible dependents.

Additional notes: _____



SAVING AND INVESTING

- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. Add any additional monthly expenses for caregiving, travel to/from appointments, equipment, therapies, etc.



CARING FOR AGING PARENTS

- Consider housing and care options: in-home care, assisted living, nursing home or residing with a family member.
- Consider making your disabled parent a dependent if they come to live with you. You will need to complete the following: DD137-3, verification of dependent's income, proof of support, copy of NAVPERS 1070/602 and DD1172-2. This process can take up to two years. Speak with your legal office for more information on the process.
- Parents who are dependents can enroll in TRICARE Plus, where available, for a monthly fee.

Additional notes: _____



DISABLING SICKNESS OR CONDITION

MY CHECKLIST

NAVY FINANCIAL READINESS

Combining personal, caregiving and everyday needs can be challenging and overwhelming if you or your family member — whether a child or an adult — becomes disabled. It's important you gather information about the condition and discuss issues with others involved in their care. Being informed will help you make more knowledgeable health care decisions and improve understanding about any challenges your family might face.

Use this checklist as a solutions-focused tool to help set goals, establish priorities, and develop a family action plan. Space is provided to add notes and reminders about additional topics.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview



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

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. Add any additional monthly expenses for caregiving, travel to/from appointments, equipment, therapies, etc.



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.

- 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.
- Review your tax situation and change federal and state withholding as needed via mypay.dfas.mil. Reserve members will need to do this with their employers as well.
- Keep receipts and records of your medical and home modification expenses for tax purposes. You might be able to claim these expenses on your tax return. See IRS Publication 502 for more information and speak to a tax specialist.

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.

Additional notes: _____



MAJOR PURCHASES

- Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases. Review the handouts on "Major Purchases" and "5 Rules of Buying a House" for more information.
 - Do you need to modify your residence to accommodate for the disability such as wheelchair accessibility?
 - Will you need to make additional living arrangements such as long-term care facilities?
 - Do you need to modify or replace your vehicle to accommodate for the disability?
- Work with the base housing office for any housing needs related to your situation.
- Review the "Education Benefits and Savings" and "Paying off Student Loans" handouts to learn more about financing education, available benefits, obligations, and repayment options.

Under certain conditions, federal student loans may be discharged. Visit this website link for more information: <https://studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge>.

Additional notes: _____



PLANNING FOR THE FUTURE

- Review your retirement savings goals. For more information on components of military retirement and the TSP, refer to the handouts entitled "Military Retirement" and "Thrift Savings Plan."
- Update beneficiaries of your Thrift Savings Plan (TSP) and Individual Retirement Accounts (IRA), as appropriate.
- 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, then 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 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.

If you are being separated due to disability, you are eligible to convert your SGLI coverage to VGLI (Veterans' Group Life Insurance). Coverage is not available for family members under VGLI. Consider obtaining private life insurance to meet family members' needs. Visit <https://www.va.gov/life-insurance/> for more information.

- Update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI), if appropriate.
- Update/enroll your family members in Family Servicemembers' Group Life Insurance (FSGLI), if there has been a change.
- Review/update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.

- Review/update your auto insurance policies, if applicable.
- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney, etc.
- Consider a testamentary/non-testamentary trust or ABLE account for your disabled spouse/child(ren)/parent. It may help protect income options for the disabled party should an inheritance disqualify them for state or government benefits they are enrolled in. Your base legal office can assist you in determining if this is a viable option for your situation.
- Review/update home ownership and vehicle documents to ensure appropriate titling based on your state laws and estate planning needs.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- File a Veterans Administration (VA) disability claim if being separated from the military.
- Apply for disability income through the Social Security Administration (SSA). Spouses, children and disabled veterans may qualify for Social Security Disability Income (SSDI). Visit [ssa.gov](https://www.ssa.gov) to locate an office near you.
- Verify/update family member(s) enrollment in TRICARE (active duty), TRICARE Reserve Select (Reserve members), or other health insurance plan. Review the handout, "TRICARE Overview" for more information. Visit www.tricare.mil to learn more about your options.
- Arrange coordination of benefits with TRICARE or another insurance carrier if your spouse is employed and also has health insurance.
- Enroll family members into the Exceptional Family Member Program (EFMP), for active duty and activated reservists only. Visit your medical treatment facility for information. Your Fleet and Family Support Center, EFMP Liaison can also assist you and your family with resources and information.
- Enroll family members in the Extended Care Health Option (ECHO) Program if applicable. For eligibility, they must already be enrolled in the EFMP. This provision is available for active duty and activated reservists only.
- Enroll family members in any federal and state health care programs available, such as Medicare and Medicaid, if eligible. Visit your state's public health department office or website for more information.
- Locate your nearest VA medical clinics and hospitals if you are being separated due to disability. You will need to complete the application for health benefits (VA Form 10-10EZ). Visit this website for more information <https://www.va.gov/health-care/apply/application/introduction>.
- Verify/update family member(s) enrollment in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.
- Review the "Survivor Benefits Overview" handout for more information on financial resources available to eligible dependents.

Additional notes: _____



SAVING AND INVESTING

- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. Add any additional monthly expenses for caregiving, travel to/from appointments, equipment, therapies, etc.



CARING FOR AGING PARENTS

- Consider housing and care options: in-home care, assisted living, nursing home or residing with a family member.
- Consider making your disabled parent a dependent if they come to live with you. You will need to complete the following: DD137-3, verification of dependent's income, proof of support, copy of NAVPERS 1070/602 and DD1172-2. This process can take up to two years. Speak with your legal office for more information on the process.
- Parents who are dependents can enroll in TRICARE Plus, where available, for a monthly fee.

Additional notes: _____

CFS/PFM Printed Name

Counselor Printed Name

Signature

Date

Signature

Date



Disabling Sickness or Condition

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Disabling Sickness or Condition* course is organized into nine parts:

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

- 2. Financial Planning**
 - Create a Spending Plan
 - Analyze Your Housing / Transportation Needs
 - Create or Restart Your Emergency Fund
 - Disability Income
 - Taxes

- 3. Insurance**
 - Health, Dental and Property
 - Life Insurance

- 4. Military Retirement**

- 5. Education Planning**
 - Career and Retraining Programs
 - Education Benefits and Savings Options
 - Paying off Student Loans

- 6. Estate Planning**
 - Legal Documents
 - Survivor Benefits
 - Review/Update All Home/Auto Documents

- 7. Caring for Aging Parents**
 - Housing and Care Options
 - Making Them a Dependent
 - Medical Insurance

- 8. Military Consumer Protection**

- 9. 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: Update personal spending plan. Understand how to create a caregiving budget. Be able to compare costs and options of living arrangements for aging parents and ill or injured family members.
- 2. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELOs: Understand how and when to update tax information, dependents and deductions for state and federal liabilities. Understand what will be taxed.
- 3. TLO:** Recognize and know how to protect against misleading consumer practices, and report consumer complaints.

ELOs: Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Recognize fraud and scam tactics and know how to safeguard against them. Know which federal agencies support consumer protections and how to find information.
- 4. TLO:** Understand education financing, to include available benefits, obligations, and repayment options.
- 5. TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
- 6. TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.

ELOs: Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the purpose and implications of having an estate plan (beneficiaries, wills, trusts, powers of attorney, etc.). Understand basic Medicare and Medicaid benefits for aging parents.
- 7. TLO:** Understand the purpose and implications of having an estate plan (beneficiaries, wills, trusts, powers of attorney, etc.).

ELOs: Understand estate planning considerations. Know why it's important to update estate planning documents and beneficiaries.
- 8. TLO:** Discuss TRICARE options and costs.



ELOs: Know how to add or remove dependents from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review the benefits and costs for various health insurance options. Know which health care benefits will be utilized for varying scenarios.
- 9. TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
- 10. TLO:** Recognize the importance of and be able to develop savings and an emergency fund.

ELOs: Understand the importance of starting and maintaining emergency fund. Know how to set emergency savings goals.

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
- *Disabling Sickness or Condition* course PowerPoint slides
- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils
- Course sign-in sheet
- Course evaluations

Forms and Handouts:

- *Disabling Sickness or Condition* Counselee Checklist
- *Spending Plan Worksheet* Handout
- *5 Rules of Buying a House* Handout
- *Major Purchases* Handout
- *Education Benefits and Savings* Handout
- *TRICARE Overview* Handout
- *Military Retirement* Handout
- *Paying off Student Loans* Handout
- *Education Benefits and Savings* Handout
- *Estate Planning* Handout
- *Survivor Benefits Overview* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* Handout

IV. CONTENT



SLIDE 1

Introduction

It can be incredibly overwhelming if you or a family member – whether it's a child or an adult – experiences a disabling sickness or condition. To help ease some of the burden, you'll want to gather as much information as possible about the condition and discuss important issues with others who will be impacted by the situation.

Being informed does two things:

1. It improves your understanding of the challenges your family might face and,
2. It will help you make more knowledgeable health and financial decisions.

This course will focus on the last part – the financial implications of dealing with a disabling sickness or condition – and help you manage your finances more efficiently as you work through 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.)



SLIDE 2

Agenda



INSTRUCTOR NOTE: *Disabling Sickness or Condition* Counselee Checklist

Today we will cover several key financial tasks to consider once a disability is discovered. To help prepare for these tasks, we will discuss nine topics:

Financial Planning, Disability Income, Taxes, Insurance, Retirement Planning, Education Planning, Estate Planning, Caring for Aging Parents, and Resources.



ACTIVITY: Ask your students about their households. Are they married or single? Are they active duty or in the Reserves? Who has the disability — spouse/child/parent/Service member? Answers to these questions can help you prioritize discussion topics throughout this course. Keep this activity to 60 seconds.



SLIDE 3

Spending Plan



INSTRUCTOR NOTE: Distribute the *Spending Plan Worksheet*, *Major Purchases*, and *5 Rules of Buying a House* Handouts.

Let's first discuss several financial planning topics you should take to prepare your finances. We will be following *Disabling Sickness or Condition* Checklist throughout this training to ensure we cover all topics needed to help you navigate this process successfully.

In order to create and manage your spending plan (budget), you will need to:

- Understand your current situation first.
 - Experiencing a disabling sickness or condition whether personally or in support of a family member can cause substantial financial changes.
 - It's important to step back and assess your financial situation to try to get an understanding of your new normal as soon as possible.
 - Be sure to consider both sides of the equation – income and expenses.
- Will there be changes/adjustments?
 - Will your household experience a loss of income due to you leaving the military (if you are the one with the disabling sickness or condition) or due to your spouse needing to quit their job to provide care, or both?
 - Will there be additional expenses for caregiving, traveling to/from appointments, equipment, therapies, etc.?

We have provided the *Spending Plan Worksheet* Handout to help you look at your current situation and to revise/account for changes in income and expenses.

An electronic version of the *Spending Plan Worksheet* Handout is available through your Family Support Center if you prefer a more digital approach.

Housing and Transportation

You will need to take a close look at your current housing and transportation situation. Will you need to make any modifications?

- Do you need to modify your residence to accommodate for the disability such as wheelchair accessibility?
- Will you need to make additional living arrangements such as long-term care facilities?
- Do you need to modify or replace your vehicle to accommodate for the disabling sickness or condition?

If you live in base housing or plan to move to base housing, work with the base housing office for any housing needs related to your situation. Some exceptional family members will have priority in placement for base housing. If you need to change your residence, work with your Family Support Center for tips on house hunting, renting, home-buying strategies, and relocation resources. If you are renting a new residence, be sure your lease contains a military clause.

If you will be purchasing a new home or vehicle, be sure to prepare your finances for any major purchases. Review the *Major Purchases* and *5 Rules of Buying a House* Handouts for more information.

If you'd like help with this, the financial counselors on your installation can help you build or review your spending plan before taking on any major purchases.

Emergency Fund

Everyone should have an emergency fund. This is money that's kept in a low-risk account, such as a savings account. It should be an account that you can access easily and without any penalties in case you have an emergency. Consider increasing your emergency savings to cover three to six months of living expenses, if not presently funded at that level. This is especially important if you now only have one source of income for your family. Be sure to account for any additional monthly expenses for caregiving, traveling to/from appointments, equipment, therapies, etc.

An emergency fund can help you cover unexpected costs associated with a disability and help to keep you from getting into debt. If you had to use part or your entire emergency fund, establish a plan to replenish the account as soon as possible.



SLIDE 4

Disability Income

INSTRUCTOR NOTE: Let's discuss some of the possible disability income sources that might be available to you and your family.

VA Disability

If you happen to be the one with the disabling sickness or condition, and will be separating from the military as a result, you will need to schedule an appointment with a local veterans' service organization to start the process of filing a Veterans Administration disability claim. You will need a copy of your full medical record(s) and many other documents to assist in completing all the required paperwork. This process can take some time. There is a wide range of veterans' service organizations available to represent veterans including the Veterans of Foreign Wars, Disabled American Veterans (DAV), American Legion, AMVETS and others. Contact your local Family Support Center to attend a Transition Workshop and for your local veterans' service organizations contact information.

If you will be receiving VA disability compensation, it will be paid monthly and the amount will depend on your VA disability rating. In most cases, your rating will not be available until after you separate from service. For more VA disability information, visit <https://www.va.gov/disability>.

Social Security Disability Income

It is recommended that everyone with a disability apply for disability income through the Social Security Administration (SSA). Spouses, children, parents and disabled veterans may qualify for Social Security Disability Income (SSDI). This is a very lengthy and complex process, which requires an application with financial and/or work history requirements that must be met for the application to be moved forward to the disability examiner and a five-step medical evaluation. Visit <https://www.ssa.gov> to locate an office near you.



SLIDE 5

Taxes

INSTRUCTOR NOTE: Let's shift gears and discuss taxes...everyone's favorite topic.

Review Your Current Tax Situation

Anytime there is a change in your family situation, it's a good idea to review your tax situation to see if any changes are needed. If you determine it's a good idea to change your federal or state income tax withholdings, you can do so at <https://mypay.dfas.mil>.

If the situation results in you leaving the military, it's important to be aware that the tax status of your future income could be very different than what you are used to. You'll want to understand how everything is taxed going forward and plan accordingly.

Keep Expense Receipts/Records

If you make home modifications or have out-of-pocket medical expenses, keep receipts and records for tax purposes. You might be able to deduct these expenses on your tax return. Please see IRS Publication 502 for more information. It is also recommended that you talk to a tax specialist, as this can be a complicated issue.

Consult with a Personal Financial Counselor/Manager at your local Family Support Center or the on-base Volunteer Income Tax Assistance (VITA) office if available.

INSTRUCTOR NOTE: Next, let's discuss insurance. Anytime there is a change in circumstances, insurance should be reviewed and updated as needed.



SLIDE 6

Health, Dental and Property



Instructor Note: Distribute the *TRICARE Overview Handout*.
Let's start the insurance review with health insurance.

Health Insurance

It's important to verify and update all family members enrolled in TRICARE (active duty), TRICARE Reserve Select (Reserve members), or other health insurance plan as soon as possible.

We have provided the *TRICARE Overview Handout* for more information. Visit www.tricare.mil to find out more about your options.

TRICARE Prime and TRICARE Select require annual enrollment. Service member(s) may also want to reassess their own TRICARE plan. For more information, visit www.tricare.mil/Plans/HealthPlans.

If you have civilian insurance plans, you should review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

If your spouse also had additional health insurance through a civilian employer, but will be leaving their job and losing the coverage as a result, be sure to contact TRICARE and let them know that TRICARE is now your spouse's primary insurance.

If you have a dependent family member with special needs, you will need to enroll them in the Exceptional Family Member Program (EFMP). This program is only for active-duty and activated Reservists and is mandatory for family members with any form of disability or impairment that requires special or ongoing treatment, education, and or counseling. Visit your medical treatment facility's EFMP Coordinator for more information. Your Family Support Center has an EFMP liaison who can also assist you and your family with resources and information.

Once you've completed the EFMP enrollment, you can then enroll eligible family members in the Extended Care Health Option (ECHO) Program. Again, this program is only available for active-duty and activated Reservists.

It is strongly recommended that you also enroll family members in any federal and state health care programs available, such as Medicare and Medicaid, if eligible. This will help reduce the out-of-pocket medical expenses you might incur. Visit your state's Department of Social and Health Services office/website for more information.

If you are being separated due to a disability, be sure to locate your nearest VA medical clinics and hospitals. You will need to complete the application for health benefits (VA Form 10-10EZ) before you can be seen at these medical facilities. Visit this website for more information <https://www.va.gov/health-care/apply/application/introduction>.

Dental

Don't forget to verify and update family members in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.

Service members can contact (844) 653-4061 or visit www.tricare.mil/CoveredServices/Dental/TDP to learn more. Reserve members should examine available programs to determine the best insurance available for their situation.

Be aware that TRICARE dental terminates once a member leaves active duty either when they separate or retire. However, if a member has a service-connected dental condition, the VA provides coverage for just the member. You will need to obtain private dental insurance to continue care for family members. An employer may provide coverage or there may be state programs available.

Property Insurance

You will need to review and update your homeowners or renters property and liability insurance policies to ensure they are adequate for your new circumstances and discuss any home modifications you made.

We also recommend that you review and update your vehicle insurance policies as well, particularly if you have made any modifications or changes to the vehicle.

Life Insurance



SLIDE 7

Now is a good time to review the coverage, death benefit and beneficiaries of your Servicemembers' Group Life Insurance (SGLI). A Service member can elect up to \$400,000 of coverage to be paid upon their death to whomever they assign as their beneficiaries. Verify and update your beneficiaries.

Under Family SGLI, children are covered at \$10,000 each at no cost as soon as they are registered in DEERS. You can elect for spouses to be covered up to \$100,000 for a minimal premium that is based on the spouse's age. Just be aware that spousal coverage under FSGLI cannot exceed the Service member's coverage amount under SGLI.

Did you know that the SGLI Online Enrollment System (SOES) allows Service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office?

To access SOES, you must sign into www.dmdc.osd.mil/milconnect and go to the “Benefits” tab, Life Insurance SOES-SGLI Online Enrollment System.

When separating from the military, SGLI coverage can be converted to VGLI (Veterans’ Group Life Insurance). Coverage is not available for family members under VGLI, but spousal coverage under Family Servicemembers’ Group Life Insurance can be converted to a private permanent policy such as whole life. Those members with young children may want to consider replacing SGLI with VGLI or another private life insurance policy. Visit <https://www.va.gov/life-insurance/> for more information.

Evaluate your life insurance needs to ensure you have enough coverage, the right type of coverage, and correct beneficiaries. If you determine your need for life insurance coverage exceeds what SGLI or VGLI provides, there are many types of private life insurance policies such as term life or permanent life (whole life, universal life, etc.). Be sure to research and understand the costs, benefits, terms and conditions of any policy you consider purchasing, making sure it would still provide coverage given your job and that it does not contain a war clause. Make sure that premium payments are affordable and realistic for your budget.



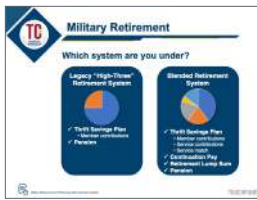
SLIDE 8

LIFE Insurance Needs

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 to a mortgage, auto loan or credit cards(s)	\$
I Income to be replaced	Multiply targeted annual income amount by the number of years to replace	\$
F Funeral and final expenses	The amount you would like to set aside for final expenses	\$
E Education and other goals	The amount you want for funding 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. Remember that a Personal Financial Manager/Counselor on your installation can help you determine the types and amount of life insurance needed to fill any coverage gaps.



SLIDE 9

Retirement Planning



INSTRUCTOR NOTE: *Military Retirement and Thrift Savings Plan Handouts*

Let's shift gears again and discuss retirement planning.

While it's understandable that other goals might take priority at this point, it's important to try to keep (or make) your retirement planning a priority too.

Retirement may seem like a distant goal, but it'll be here before you know it, so it's important to start planning for it now to build financial security during those years. One of the most powerful factors you have is time because it allows you to take advantage of the potential for compound earnings and long-term growth.

Here are a few reasons why it's important to save for retirement as far in advance as you can:

- The sooner you begin, the more money you may be able to accumulate.
- As you may know better than anyone at this point, any number of things can happen that can interrupt your future earning and saving ability.
- You do not know how long retirement will last. With longer life expectancy, you may need enough savings to last 30 years or more.



ACTIVITY: As a class, review the *Military Retirement* Handout. Which retirement system does each Service member fall under? Cover the different components of each retirement system. For BRS, emphasize the importance of contributing at least 5% to the Thrift Savings Plan to receive the full match.

Distribute/discuss the *Thrift Savings Plan* Handout.



SLIDE 10

Education Planning



INSTRUCTOR NOTE: Now, let's shift gears and talk about education planning which, depending on your situation, may be an important consideration right now for you or your family.

Distribute the *Education Benefits and Savings* and *Paying off Student Loans* Handouts.

Career and Retraining Programs

Let's start by talking about opportunities that might be available for those of you who are planning on going back to school to adjust your career path or get additional training.

If you are being separated due to a disability, you may be eligible for certain VA programs like Veteran Readiness and Employment (formerly known as Vocational Rehabilitation) or other programs, depending on your disability rating. You'll need to speak with a VA representative for more information. Your local Family Support Center can provide you with contact information if needed.

There may also be state education programs available for you and your family members. Your local Family Support Center should be able to point you to the right resources.

Your spouse might have access to the My Career Advancement Account (myCAA) scholarship. For more information, visit <https://mycaa.militaryonesource.mil/mycaa>.

Education Benefits and Savings

Now let's talk about the education benefits available for those staying in the military by reviewing the *Education Benefits and Savings* Handout.

There are numerous programs available, through military service including:

- Apprenticeship and Credentialing Programs
- Tuition Assistance
- GI Bills, including the Post-9/11 GI Bill which is transferable to immediate family members if certain conditions are met

And last for this topic, let's review the options for saving for college on the second half of the Handout. These are available to both Service members and the civilian population.

- General investment accounts
- 529 College savings plans
- Prepaid tuition plans
- Coverdell Education Savings Accounts
- Uniform Transfer/Gift to Minors accounts

Paying off Student Loans

If you or a family member already have student loans, it is important that you continue to make paying off your student loans a priority, as this debt can keep you from achieving other financial goals.

Review the *Paying off Student Loans* Handout to learn more about repayment options.

If the disabled person has federal student loans, can they now be discharged? Many federal student loans can be discharged if that person can no longer work or even work in the field their degree is in. For more information, visit <https://studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge>.

Ask your Personal Financial Manager/Counselor at your Family Support Center for more information on education savings plans and repayment options.



SLIDE 11

Estate Planning



INSTRUCTOR NOTE: Distribute the *Estate Planning* and *Survivor Benefits Overview* Handouts.

Estate planning means making preparations so your wishes for your survivors are carried out if you die or become incapacitated.

Legal Documents

Review the *Estate Planning* Handout. See your base legal office (or other legal counsel) to establish or update estate-planning documents, including a will, durable power of attorney, health care directive, medical power of attorney and letter of instruction.

Active-duty Service members can visit your installation's legal services office for help with these and other legal needs.

It's usually a good idea to seek legal assistance as soon as possible and not wait until right before temporary duty (TDY) travel or deployment, when appointments may be difficult to get.

Special Needs Considerations

If you have family members with special needs you will want to seek counsel with your base legal office to understand special needs testamentary/non-testamentary trusts or ABLE accounts for your disabled spouse/child(ren)/parent. These vehicles may help protect income options for the disabled party should an inheritance disqualify them for state or government benefits they are enrolled in. Your base legal office can assist you in determining if this is a viable option for your situation.

They may also want to complete a Special Needs Organizational Record. For more information, visit: militaryonesource.mil and search "Special Needs Organizational Record."

Family Care Plan

If you're caring for a disabled family member, now is also a great time to review or create a Family Care Plan should you ever have to leave your disabled family member under the supervision of a designated caregiver for an extended period of time, such as during a deployment or temporary duty.

For more information on the types of documents you will need to include, visit <https://www.militaryonesource.mil/family-relationships/relationships/parents-guardians/preparing-your-family-care-plan>.

Review/Update All Home/Auto Documents

Review and update all home ownership and vehicle documents to clarify right of survivorship and joint tenants in common according to your state laws. This will make it easier for your survivors to inherit them.

Survivor Benefits

As a Service member, it's important to know about the survivor benefits that are available to your dependents for your awareness and peace of mind. If you die while serving, your family will be assigned a Casualty Assistance Officer who will discuss all their survivor benefits and walk them through this process.



ACTIVITY: Review the *Survivor Benefits Overview* Handout for more information on financial resources available to eligible dependents. Briefly discuss these benefits as a class.

The **death gratuity** is a lump-sum payment of \$100,000 from the DoD, and it's tax-exempt. They can split it up if they would like, into allocations of at least 10%. It's normally paid within 72 hours of notification.

The **Survivor Benefit Plan (SBP)** gives surviving spouses or children a taxable monthly payment equal to 55% of your retirement pay if the Service member had been retired at 100% disability at the time of death. That amount varies depending on the pay grade and time in service of the member. If there is no surviving spouse, SBP will be paid in equal shares to the deceased Service member's children. For active duty members, SBP death benefits are provided at no cost. If a member is retired or medically retired, they may elect SBP coverage at retirement and there is a monthly premium required, which is usually taken from the retired pay.

Dependency and Indemnity Compensation (DIC) is a flat monthly payment for surviving spouses and children that isn't calculated using rank or time in service. Additional money is paid to spouses with dependent children of the deceased Service member.

The **Dependent Educational Assistance (DEA)** program offers education and training opportunities to eligible dependents of veterans who are permanently and totally disabled due to a service-related condition or veterans who died while on active duty or as a result of a service-related condition.

If you pass away, your family will also receive Social Security survivor benefits, starting with a lump sum of \$255. Taxable monthly Social Security payments are paid to spouses or divorced spouses with children of the deceased Service member under the age of 16. Payments are also made to children up to age 18. The survivor's benefit amount cannot exceed 180% of your Social Security benefit.



SLIDE 12

Caring for Aging Parents

INSTRUCTOR NOTE: Taking care of an aging parent brings different challenges. There are many decisions you need to make from housing to medical insurance.

Housing and Care Options

You will need to discuss what your aging parent's housing and care options are. What do they want, prefer, or need? Here are the standard options: in-home care, assisted living, nursing home or residing with a family member. They each have their benefits and differ in costs.

Making Them a Dependent

If your disabled parent is coming to live with you, consider making them a dependent. You will need to complete the following: DD137-3, verification of dependent's income, proof of support, a secondary dependency application (varies by service, for more information visit www.dfas.mil/militarymembers/SecondaryDependency/SDC) and DD1172-2. This process can take up to two years. Speak with your legal office for more information on the process.

Medical Insurance

Parents, who are dependents, can enroll in TRICARE Plus for a monthly fee. This might be beneficial if they do not have access to other insurance options or it can become a secondary insurance option.

Depending on their age, they may also want (or need) to enroll in Medicare and consider receiving their Social Security benefits. Medicare is a very complex health care system with four parts that need to be decided on (A, B, C, and D). Many of your local senior centers have experts who can assist in understanding each part.

If they are not old enough for Medicare be sure to enroll them in any state medical programs they might be eligible for. If they haven't applied for SSDI (Social Security Disability Income), it may be beneficial for them apply particularly if they are not old enough to collect their regular Social Security benefit.



SLIDE 13

Military Consumer Protection



INSTRUCTOR NOTE: Distribute the *Military Consumer Protection* and *Sources of Help for Military Consumers* Handouts.

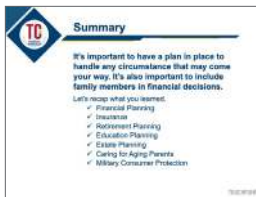
Securing your financial future goes way beyond having a budget. It also includes being proactive by protecting your identity and knowing your rights as a member of the military under the Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA). See your legal office for more information.

Take the time to get credit reports for yourself, your spouse, and your children. Go to www.annualcreditreport.com to get your reports or visit your Family Support Center for assistance.

You may be dealing with new creditors, which increases your exposure to billing errors and identity theft. Children are a favorite target of identity thieves, who sometimes commit fraud under a child's assumed identity for many years without being detected. To protect your children, you can request a free credit freeze from all three credit reporting agencies.

INSTRUCTOR NOTE: Equifax: 800-685-1111 • Experian: 888-EXPERIAN
TransUnion: 888-909-8872

You can get a free copy of credit reports from the Personal Financial Counselor/Educator (PFM/E) at your local Family Support Center. The PFM/E can also help you interpret your reports and discuss what you need to do to improve your score. You can also request your free annual credit report and dispute any errors through the Annual Credit Report Request Service at www.annualcreditreport.com. Additional free services are available to members of active duty at the three credit reporting agencies websites.
<https://www.transunion.com/active-duty-military-credit-monitoring>
<https://www.equifax.com/personal/military-credit-monitoring/>
<https://www.experian.com/lp/military.html>



SLIDE 14

Summary

During this course, we've reviewed:

- Financial planning practices to put into place to integrate this disability into your family's finances
- Disability income options that are available
- How your taxes might be impacted
- Insurance benefits and considerations to take into account
- A brief overview of your military retirement benefits
- How to plan and pay for your family's future education
- Estate planning and the documents you will need
- Taking care of an aging parent
- Being aware of Military Consumer Protections and Understanding Sources of Help for Military Consumers

I hope that the topics covered during this course will help you more successfully manage your personal finances.



SLIDE 15

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.



SLIDE 16

Thank You!

Thank you for participating in this course. I wish you the very best as you and your family adjust to this new life situation. Please let me know if you have any questions or would like to schedule an in-person appointment to review your finances.

CFS Preparation: Distribute and discuss the Disabling Sickness 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 today's training: Disabling Sickness or Condition. This is a subject that none of us probably want to talk about. However, it is one that we should plan for. There are several topics that we will discuss today related to the financial implications of caring for someone with a disability, including yourself. The upcoming discussions and videos will aid in creating a dialogue to ensure that you will be financially aware and prepared if you or a family member experience a disabling sickness or condition in the future.

Play Videos 1 & 2

Discussion Questions



1. Disabling Sickness
or Condition Overview

1. How can you tell if you are spending beyond your means?

CFS Talking Points: Securing your financial future means knowing where you currently stand. Don't be afraid to start right where you are. Look at what you have coming in (Leave and Earnings Statement) and what is going out (bank and credit card statements). Do you have a surplus or a deficit at the end of the month? If the answer is a deficit, you are living beyond your means.



2. Spending Plans,
and Emergency
Funds

2. What percentage of your pretax paycheck should go toward the following: housing, car, saving/investing?

CFS Talking Points: It's not enough to know where your money is going. It's important to start setting limits on where your money is going. A simple formula is 25% of pretax income can go toward housing (rent or mortgage, taxes, utilities, and maintenance); 15% – 20% of pretax income can go toward transportation expenses (car payments, insurance, gas, and maintenance). Let's not forget about savings and investing. Strive to put away 10% – 15% of your pretax income to establish an emergency fund of 3 to 6 months of expenses and to prepare for your future needs like retirement.

3. How do I begin making changes?

CFS Talking Points: Begin by creating a plan. That's where things happen. See where you are spending over the percentages we just discussed and start making a few cuts. Start putting limits on where you are overspending. Be honest with yourself. This plan is yours. You want your financial plan to succeed so be realistic when you start making cuts. If you need help building your spending plan, don't be afraid to ask. Speak to a Command Financial Specialist or Personal Financial Manager on your installation.

Knowledge Check

Question: Where can you get assistance developing your spending plan?

Answer:

- Air Force: Airman & Family Readiness Center
- Marine Corps: Marine & Family Services
- Navy: Fleet and Family Support Services
- Army : Army Community Services
- Cost Guard: Health, Safety, & Work Life Regional Practice

PART 2: Taxes

CFS Intro: Taxes can be complicated. Couple that with a disability or sickness to an already complicated situation and what do you have? A VERY complicated situation. This section will provide you with a greater awareness of how your disability may affect your tax situation. It is paramount to consult tax professionals to help with your specific situation and needs as they change.

Play Video 3

Discussion Questions



3. Taxes

1. Are all disability compensations untaxable?

CFS TALKING POINT: As mentioned in the video, tax issues can be very complicated. It is important to always consult tax professionals when you have tax-related questions. Disability compensations can be taxed or non-taxed depending on the provider. Most disability payments that are generated from employer benefits or insurance policies are taxed; while VA benefits and disability insurance paid from after-tax money are not.

2. Can I claim a medical deduction on my taxes if I build a wheelchair ramp on the front of my house?

CFS TALKING POINT: You may be able to claim a medical deduction for some of these costs of improvements made to accommodate a disability. Improvements such as wheelchair ramps, chair lifts, and grab bars are just a few examples of improvements. Speak with a tax consultant to see if other items can also be claimed.

3. What happens if I need to bring in a home health nurse to assist my family member while I am at work?

CFS TALKING POINT: You may be eligible for a tax credit if you have to bring a part-time or live-in health professional into the home. Check with your tax professional for more details.

PART 3: Transportation and Educational Needs

CFS Intro: Now that we have established the importance of having an effective spending plan and a better understanding of taxes, let's talk about the necessary lifestyle changes that you may need to implement with regards to transportation and housing. Also, let's take this time to learn about the educational benefits available to you as a Service member.

Play Videos 4, 5 & 6

Discussion Questions



4. Changes to Your Lifestyle

1. What government agency can help with housing and vehicle needs if there is a disability or sickness?

CFS Talking Point: The Veterans Administration (VA) has several programs that can provide assistance for both housing and vehicle needs.

Discussion Questions, cont.



5. Housing and Transportation Needs

2. Are there any grants available for me to make modifications on my home?

CFS Talking Point: Yes. The three main programs are:

- 1) The Specially Adapted Housing Grant
- 2) The Special Housing Adaptation Grant which are used to buy, build, or upgrade a home to support the disability or sickness. Both are available for Service members and retirees.
- 3) The Temporary Residence Adaptation Grant is used if you are currently living in a family member's home which needs modifications to support the disability or sickness.

All of these grants have their own application process and maximum payout.



6. Education Benefits

3. What if I live in base housing?

CFS Talking Point: Make sure you check with your base housing office to specify any accommodation you or your family member may need.

4. What if I need specialized equipment?

CFS Talking Point: There are other grant programs that may assist in offsetting adaptive equipment and even assisting in purchasing of a specially equipped vehicle.

5. Are there any educational benefits that I can use while I'm still enlisted or commissioned in the Armed Forces?

CFS Talking Point: Tuition Assistance (TA) is available to active duty and reserve Service members. This assistance can be used for an associate's degree all the way to a graduate degree. For more information, you can contact MilitaryOneSource.com or speak to a representative at your Navy College if they are on site. You may also have GI Bill benefits to assist in paying for college. You can visit va.gov/education to get more information.

6. What if I already have student loans? Is there any assistance to help reduce this debt?

CFS Talking Point: If you accrued your student loan debt before entering into active duty, you can now use the Servicemembers Civil Relief Act (SCRA) to reduce the interest rates to 6%. You can also explore the Income-Driven Repayment Plans. If your income is decreased, you may be able to have your monthly payments reduced. There are also disability rules regarding educational benefits. Borrowers with a total and permanent disability may be eligible to have some or all of their federal student loans discharged. Visit studentaid.gov and search "disability discharge" for more information. You can also speak to a Personal Finance Manager on your installation for more information.

PART 4: Caring for Aging Loved Ones

CFS Intro: There may come a time in your military career that you have to take care of an aging loved one. The upcoming discussion and video will give you valuable information regarding some steps to take to ensure your aging family member is well cared for while you are still performing your military duties.

Play Video 7

Discussion Questions



7. Caring for Aging Loved Ones

1. What if I need to take care of my elderly parents as a Service member?

CFS Talking Points: It will be important to know all of your options before you make a final decision. Some options may be to allow your family member to stay in their home and elect for home health care providers to assist them. Doing this may require thinking about the cost of home modifications. Another option may be moving your loved one in with you. Please consider the transient nature of your job as a Service member. Remember, making housing modifications at every move may get expensive. Finally, there are assisted living facilities which may be a good fit for your loved ones. This very personal decision belongs to you. Make the best decision that will best benefit you and your family.

2. Where can I find resources to assist me in making such a big decision?

CFS Talking Point: You may want to start with your Legal Office. This may be a lengthy process so make sure you give yourself enough time to get everything done.

Knowledge Check

Question: Is there anyone who can provide further information regarding caring for my aging family member?

Answer: Military OneSource is an excellent source of information. They have Elder Care Consultants available to assist with any questions or concerns you may have. These consultants are free and can offer one-on-one sessions.

PART 5: Medical and Life Insurance

CFS Intro: We have talked about several lifestyle changes that you may need to make when there is a disabling sickness or condition or a need to take care of an aging loved one. However, it is also important to think about your long-term financial plans. The upcoming discussion and videos will focus on protecting your assets by making sure you have an adequate amount of health and life insurance.

Play Videos 8, 9 & 10

Discussion Questions



8. Planning for the Future

1. Why is it important to have insurance?

CFS Talking Points: The purpose of insurance is to protect your assets. You can quickly deplete your emergency funds and investments without an adequate amount of insurance.

2. What type of health insurance benefits are available for my parents who are getting older?

Discussion Questions, *cont.*



9. Health Insurance

CFS Talking Points: Medicare and Medicaid are the most common health care programs available for aging adults. Medicare is a federal plan and is typically available to those age 65 and older, while Medicaid is a state-run program and is typically available to low-income or elderly adults and people with disabilities. Also, it is important to speak with your parents regarding other private insurance policies that they may be paying into.



10. Life Insurance

3. Will TRICARE pay for any of my parents' medical bills?

CFS Talking Point: It all depends on if you have enrolled them into one of TRICARE's plans. An immediate family member may be able to seek medical assistance through TRICARE. I would recommend checking with your local Legal Office for more information.

4. What are the benefits of enrolling into the Exceptional Family Member Program?

CFS Talking Point: The Exceptional Family Member Program (EFMP) aids in ensuring that the family member's special needs are taken into consideration before new orders are drafted. This helps to guarantee a continuation of care and services for the family member.

5. What is TRICARE ECHO?

CFS Talking Point: The TRICARE Extended Care Health Option or TRICARE ECHO can assist in buying needed supplies for your family member and offer services beyond what TRICARE covers.

6. Do I need to buy a private life insurance policy as a Service member?

CFS Talking Point: It all depends on how much insurance you believe that you need. Don't forget the acronym LIFE (liability, income, final expenses, and education and other goals). While in the service, you should be enrolled in Servicemembers' Group Life Insurance (SGLI). Your beneficiary will receive \$400,000 if you pass away while on active duty. They may also be eligible to receive another \$100,000 from the death gratuity. Knowing this, you can then decide if you need additional coverage.

7. Can I keep SGLI after I separate from the military?

CFS Talking Point: Servicemembers' Group Life Insurance (SGLI) is a term policy. This means SGLI will end when you exit the armed services. However, you can choose to convert SGLI to Veteran's Group Life Insurance (VGLI). There are deadlines for converting your coverage, so visit va.gov and search "VGLI" for more information.

8. What's the difference between a term policy and permanent policy?

CFS Talking Point: A term policy lasts for a specific time period or a term, typically 10, 15, 20, 25, or 30 years. A permanent policy is just that, permanent. You will not have to renew it and the policy is intended to remain in force until you die.

Knowledge Check

Question: Can I decide not to enroll my family member with a chronic condition into the Exceptional Family Member Program?

Answers: No. The Exceptional Family Member Program is a mandatory program.

Question: Whom can I contact if I have questions regarding the Exceptional Family Member Program?

Answer: Marine & Family Support Center, Fleet and Family Support Center, the Army's Exceptional Family Member Program, and the Health Safety Work Life Regional Manager or Liaison.

Question: Whom can I name as the beneficiary for my insurance policy?

Answer: Anyone you choose. Don't forget during life events such as divorce or death you will need to update your beneficiary. It's important to know that the name on the policy trumps whoever's name is on the will.

PART 6: Estate Planning

CFS Intro: So far, we have discussed how to plan for possible financial challenges you may have if you ever deal with a disabling sickness or condition whether personally or of a loved one. In the upcoming video we will discuss estate planning and survivor benefits. Even though this subject is probably not going to be your favorite, it is necessary.

Play Video 11

Discussion Questions



11. Estate Planning
and Survivor
Benefits

1. What's the importance of estate planning?

CFS Talking Point: It is important to already have a plan in place to assist your family members in the unfortunate event that something happens to you. Estate plans will greatly reduce the stress that comes with loss. Beneficiaries should already be named on insurance policies, homes, and other properties.

2. Do I need a living will?

CFS Talking Point: A living will is important because it gives instructions on how you would like to live out your last days if you ever become incapacitated. Your family members or those close to you are relieved of the decision-making process. For example, you may have a do not resuscitate (DNR) order in place in case of a medical emergency. You can see that having something in writing would cut down on confusion and conflict in the future.

3. How can I ensure that my minor children are taken care of financially if something happens to me?

CFS Talking Point: All of your wishes should be spelled out in a will. You should specify a guardian for your minor children and name an executor who is there to ensure that your wishes are carried out through the years.

4. What are some other Service member benefits should something happen to me?

CFS Talking Point: Your family will have access to a Casualty Assistance Calls Officer (CACO) who will be there to assist your loved ones during their loss. The CACO will be there to help explain their benefits and help ensure that they receive those benefits and entitlements.

Knowledge Check

Question: What's a medical power of attorney?

Answers: A medical power of attorney authorizes someone to make medical decisions for you in the case that you become incapacitated.

Question: How can I authorize someone to make financial decisions for me?

Answer: You can draft up a durable power of attorney. This type of power of attorney authorizes someone of your choosing to make financial decisions on your behalf.

Question: When do I have to make the decision to enroll in the Survivor Benefits Plan (SBP)?

Answer: This is a discussion that you will need to have with your spouse or partner early on. This is not a decision that you as the Service member can make on your own. You will need your spouse or partner to agree if you choose not to enroll in the SBP. This decision will need to be made at your retirement from the service.

PART 7: Retirement Overview

CFS Intro: It is important to begin investing in your retirement while you are still a Service member. This will definitely be your biggest investment. That's why it's important to set SMART retirement goals and begin contributing to those goals early. In this next discussion, we will talk about how to be fully prepared financially for your retirement.

Play Video 12

Discussion Questions



12. Retirement System Overview

1. What's the difference between the two retirement systems?

CFS Talking Point: The two retirement systems are the Legacy (High-3) Retirement System and the Blended Retirement System (BRS). For both, you will need to serve at least 20 years in the armed forces to benefit from a pension. The Legacy system has a larger pension payout. While the payout for the BRS is lower, it does have a Thrift Savings Plan automatic contribution of 1% and matching contributions.

2. Can I switch over to the Blended Retirement System?

CFS Talking Point: If you entered into the service after Jan. 1, 2018, you are automatically enrolled in BRS. If you entered before then and did not opt into the BRS you are covered by the Legacy (High-3) Retirement System and you can no longer opt into BRS.

3. When is the best time to start saving for my retirement?

CFS Talking Point: "Time is money." The longer you wait to start putting money away in some type of future investment, the more money you are forfeiting for your future. It is imperative to start making consistent payments to a retirement fund. Try not to wait until everything lines up financially to start saving. There will always be something else to do. Start now.

Knowledge Check

Question: What are some civilian retirement plans that I can invest in?

Answers: If you are out of the military you can contribute to another employer-provided retirement plan such as a 401(k) and a 403(b) plan. You can also contribute to a self-funded plan such as an Individual Retirement Account (IRA) while you are still in the military.

Question: Where can I go to get more information regarding retirement questions?

Answer: You can always speak to the Personal Finance Manager on your local installation.

PART 8: Conclusion

CFS Intro: We have covered a lot of information on the topic of Disabling Sickness or Condition. We even expounded on the importance of starting to save for your retirement needs. Now, let's put it all together.

Play Video 13

CFS Conclusion



13. Final Thoughts

Now that we have discussed financial considerations regarding dealing with a disabling sickness or condition, ensuring that your family will be taken care of in case of a misfortune, and saving for retirement, remember that if you have questions or concerns you can speak with a Financial Counselor on base. You are not in this alone. This installation has the resources to assist you as you navigate these changes.



Disabling Sickness or Condition

Presentation






1

Agenda

- Financial Planning
- Insurance
- Retirement Planning
- Education Planning
- Estate Planning
- Caring for Aging Parents
- Military Consumer Protection

 Disabling Sickness or Condition Checklist Available

TOUCHPOINT

2



Financial Planning: Spending Plan

- **Create and manage your spending plan**
 - ✓ Know your current situation
 - ✓ Will there be changes / adjustments?
- **Housing and transportation**
 - ✓ Modifications (residence and / or vehicles)
 - ✓ Base housing
 - ✓ Long-term care facilities
 - ✓ Major purchases
- **Emergency fund**
 - ✓ Start
 - ✓ Rebuild



Spending Plan Worksheet, Major Purchases, and 5 Rules of Buying a House Handouts Available

TOUCHPOINT

3



Financial Planning: Disability Income

- **VA Disability**
 - ✓ For Service member being discharged
 - ✓ Tax-free compensation, based on disability rating
 - ✓ www.va.gov/disability
- **Social Security Disability Income**
 - ✓ Anyone with a disability can apply
 - ✓ Lengthy and complex process
 - ✓ www.ssa.gov

TOUCHPOINT

4




Financial Planning: Taxes

- **Review your current tax situation**
 - ✓ Make changes if necessary
 - ✓ *my pay.dfas.mil* or Direct Access
 - ✓ All non-disability income is taxable
- **Keep related expense receipts / records**
 - ✓ See IRS Publication 502
- **Talk to a tax professional**


TOUCHPOINT

5



Health, Dental and Property


- **Health insurance**
 - ✓ TRICARE coverage
 - ✓ Other medical coverage
 - Spouse employer coverage
 - EFM Program and ECHO
 - Federal and state programs
 - VA medical clinics / hospitals
- **Dental**
- **Property insurance**
 - ✓ Homeowners / renters
 - ✓ Auto



TRICARE Overview Handout Available

TOUCHPOINT

6




Life Insurance

- **Servicemembers' Group Life Insurance (SGLI)**
 - ✓ Coverage
 - ✓ Death benefit
 - ✓ Beneficiaries
- **Family Servicemembers' Group Life Insurance (FSGLI)**
- **Veterans' Group Life Insurance (VGLI)**
- **Private life insurance**
 - ✓ Term and permanent coverage
 - ✓ War clause and other restrictions
 - ✓ Beneficiaries
 - ✓ Premium payments

TOUCHPOINT

7




LIFE Insurance Needs

L liabilities (debts and obligations)	_____
I ncome (amount X number of years needed)	+ _____
F inal expenses	+ _____
E ducation and other goals	+ _____
<i>Subtract current coverage and available assets</i>	- _____
Your Total Need	<div style="border: 1px solid black; width: 100px; height: 25px; display: inline-block;"></div>

TOUCHPOINT


8



Military Retirement


Which system are you under?

Legacy “High-Three” Retirement System




- ✓ Thrift Savings Plan
 - Member contributions
- ✓ Pension

Blended Retirement System




- ✓ Thrift Savings Plan
 - Member contributions
 - Service contributions
 - Service match
- ✓ Continuation Pay
- ✓ Retirement Lump Sum
- ✓ Pension

 Military Retirement and Thrift Savings Plan Handouts Available


TOUCHPOINT

9




Education Planning

- Career and retraining programs
- Spouse programs – myCAA
- **Military education benefits**
 - ✓ Apprenticeship & credentialing programs
 - ✓ Tuition assistance
 - ✓ GI Bills
- Personal education saving accounts
- Student loan repayment

 Education Benefits and Savings and Paying Off Student Loans Handouts Available


TOUCHPOINT

10



Estate Planning


- **Legal documents**
 - ✓ Will
 - ✓ Power of Attorney
 - ✓ Special needs considerations
 - ✓ Family Care Plan
- **Survivor benefits**
 - ✓ Death Gratuity
 - ✓ Survivor Benefit Plan (SBP)
 - ✓ Dependency and Indemnity Compensation (DIC)
 - ✓ Dependents' Educational Assistance (DEA)
 - ✓ Social Security Survivors' Benefits
- **Review and update all documents**



Estate Planning and Survivor Benefits Overview Handouts Available

TOUCHPOINT

11




Caring for Aging Parents

- **Housing and care options**
 - ✓ In-home care
 - ✓ Assisted living / nursing home
 - ✓ Residing with family
- **Making them a dependent**
 - ✓ Many forms, long process
 - ✓ Consult legal
- **Medical insurance**
 - ✓ Enroll in TRICARE Plus (if a dependent)
 - ✓ Enroll in Medicare (if eligible)

TOUCHPOINT

12



Military Consumer Protection

MILITARY CONSUMER PROTECTION

Guard Your Identity And Know Your Rights

Achieving financial security includes protecting your identity and knowing your rights as a member of the military under the Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA). These two programs provide lending protections to help Service members avoid common pitfalls and focus on their mission while on active duty. That goal often is available to help.

Identify Theft

Identity theft occurs when someone steals an individual's personal information and uses it without his or her permission to open fraudulent accounts and make unauthorized purchases. Identity theft is a serious problem that can ruin a person's credit and good name and can have significant long-term and recovery to resolve.

Warning Signs Of Identity Theft	Ways To Defend Against Identity Theft
<ul style="list-style-type: none"> • Missing bills • Unfamiliar accounts on credit reports • Unfamiliar credit cards or bills • Credit denial 	<ul style="list-style-type: none"> • Safeguard mail • Secure online or phone • Store receipts • Remove account statements • Shred documents • Notify creditors of address updates • Check credit reports regularly at www.annualcreditreport.com • Remove account statements that activate identity or security freezes or credit reports prior to deployment

Resources: TransUnion 1.800.686.7889, Experian 1.888.397.3742, Equifax 1.800.526.4289
Federal Trade Commission (FTC) 877.435.7343 or www.consumer.gov or Military Consumer www.militaryconsumer.gov

The Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA) are programs that provide certain protections to lending for Service members who are called to Active Duty.

Servicemembers Civil Relief Act

Who's Protected:

- Active-duty Service members
- Members of the Reserve and National Guard (when on active Title 32 federal service for more than 30 consecutive days)
- SCRA for all begins on the first day of active duty, which includes basic or occupational training.

Legal Protections:

When requirements are met, rights and protections include: ability to terminate cell phone, cable and internet contracts; termination of residential and auto leases; postponement of foreclosures and evictions; installment contract protection; 6% interest rate cap on debts incurred before active duty; delay of certain civil and proceedings; delay of enforcement related to certain taxes, including personal and real property taxes; the insurance coverage protections.

Military Lending Act

Who's Protected:

- Active-duty Service members
- Members of the Reserve and National Guard (when on active Title 32 federal service for more than 30 consecutive days)
- Covered Servicemembers

Legal Protections:

When requirements are met, rights and protections include: 36% interest rate cap on most types of consumer loans; no mandatory waiver of consumer protections; no mandatory arbitration; no prepayment penalty.

For more information about the SCRA visit www.militaryconsumer.gov and search the keyword "SCRA" and for MLA visit www.consumerfinance.gov

Updated August 2019

SOURCES OF HELP FOR MILITARY CONSUMERS

Consumer Complaints

Dealing with a defective product or poor customer service can be frustrating and costly. When this happens, you may choose to make a complaint. To complain effectively, start by determining what you need to achieve and be prepared to validate your complaint with all purchase-related paperwork including receipts, warranties, regular orders, warranties, store advertisements, and any correspondence from the company. If you have an receipt.

1. Contact the business. Start with the salesperson you dealt with or their manager. Clearly and calmly describe the problem and the action you would like them to take. Document their response or correspondence in writing.
2. Contact the company president or a representative of the manufacturer. Use the Sample Complaint Letter below as a guide and send your letter by certified mail, return receipt requested.
3. Contact industry trade associations.
4. Contact local and state consumer advocates. Use the resource list on the next page for consumer protection contacts.
5. Contact local and state consumer advocates. Use the resource list on the next page for consumer protection contacts.

Do your homework! Personal Securities (FPS) or Personal Protective Manager (PPM) for guidance.

Checklist for the purchase: Exclude the name of product and serial number. Possible for date and place of purchase.

State the problem. Give the history.


Ask for specific actions. Include copies of documents.

Allow time to follow. State how you can be reached.


Keep copies of all of your letters, faxes, emails and related documents.


Your Address
 Your State, Zip
 Date
 Name of Contact Person, if available
 Name of Product
 Company Name
 Company Address
 Street Address
 City, State, Zip Code
 Your Contact Person(s)
 Mr./Ms./Mx./Honorable (if applicable)
 Do Contact (if applicable) (through several letters or mail requests in a series if product will not be resolved or action not taken) (if applicable) (if possible, use the contact details of the manufacturer)
 I understand your product (or service) has not functioned well to the extent you advertised. I would like to purchase the product, but I have been unable to do so. I am sorry that I am not able to work properly. In writing, you are not performing correctly. I am looking for your help, including your product and related services (if applicable).
 To resolve the problem, I would appreciate it if you could return my money back, a refund and a replacement of the product, or a replacement for another item. I require the receipt of all my purchases and receipts to date, or a replacement for another item. I require the receipt of all my purchases and receipts to date, or a replacement for another item. I require the receipt of all my purchases and receipts to date, or a replacement for another item.
 I look forward to your reply and resolution of the problem within 30 days.
 Sincerely,
 (Print Name)
 (Signature)

Updated August 2019



Military Consumer Protection and Sources of Help for Military Consumers Handouts Available







Summary

It's important to have a plan in place to handle any circumstance that may come your way. It's also important to include family members in financial decisions.


Let's recap what you learned.

- ✓ Financial Planning
- ✓ Insurance
- ✓ Retirement Planning
- ✓ Education Planning
- ✓ Estate Planning
- ✓ Caring for Aging Parents
- ✓ Military Consumer Protection





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

15



Thank You!

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

TOUCHPOINT

16



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

TC 11

Leadership Training





Leadership Training

Student Manual



I. INTRODUCTION

Taking on a leadership role in the military comes with many responsibilities. One of which is to ensure financial readiness in order to sustain mission readiness. This checklist can help you assist a new or seasoned leader in the military so they are prepared to handle the challenges that come with their leadership role.

Military members tend to have increased financial management issues for a number of reasons, including: age, lifestyle and access to credit. Service members tend to move away from home and their support system at a younger age than the general population. Deployments, frequent moves, and difficulties maintaining spouse employment can increase financial challenges. Easy access to credit without a solid understanding of managing credit can also factor into financial problems.

II. LEARNING OBJECTIVES

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

- TLO:** Recognize the importance of personal financial management and what resources are available.

ELOs: Identify benefits of responsible personal financial management. Identify financial issues that are unique to or affected by the military lifestyle. Identify consequences of financial mismanagement in both the military and civilian sectors. Know what information is necessary for obtaining higher security levels. Understand leadership duties in assisting staff and Service members in acquiring security clearances.
- TLO:** Be able to identify warning signs of Service members at risk for financial problems.

ELOs: Know how to identify indicators of Service members that are financially at risk. Understand the leadership role and responsibilities for identifying and providing resources to those financially at risk. Know how to approach at-risk Service members with concerns. Understand duty to warn and confidentiality concerns. Know resources for at-risk Service members. Understand laws and compliance issues related to assisting Service members. Be able to identify the impacts of financial risk on readiness. Understand the mental stress of financial risk on readiness. Understand the personal family issues associated with financial risk and readiness.
- TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.

ELOs: Understand the basics of military retirement pay. Understand and convey the importance of comprehensive military retirement planning throughout the military life cycle.
- TLO:** Know military consumer protection law fundamentals, including Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA).

ELOs: Understand why Service members are targets for predatory lending and fraud. Understand the components and protections for Service members under the SCRA. Understand the components and protections for Service members under the MLA. Know basic procedures for handling a consumer complaint or dispute associated with the SCRA or MLA.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.gov>
- Military Compensation — <https://militarypay.defense.gov/Benefits/Thrift-Savings-Plan>
<https://militarypay.defense.gov/Pay/Tax-Information>
- Thrift Savings Plan (TSP) — <https://www.tsp.gov>
- Consumer Financial Protection Bureau (CFPB) — <https://www.consumerfinance.gov/consumer-tools/military-financial-lifecycle>
- Internal Revenue Service (IRS) — <https://www.irs.gov>
<https://www.irs.gov/filing/individual/update-my-information>
- Free Annual Credit Report — <https://www.annualcreditreport.com>
- U.S. Armed Forces Legal Assistance — <https://legalassistance.law.af.mil/>
- FTC Consumer Information — <https://www.consumer.ftc.gov>
- FTC Complaint Assist — <https://www.ftccomplaintassistant.gov>
- Department of Justice — <https://www.justice.gov/servicemembers/servicemembers-civil-relief-act-scra>
- Federal Deposit Insurance Corporation (FDIC) — <https://www.fdic.gov/>
- Blended Retirement System (BRS) — <https://militarypay.defense.gov/blendedretirement>
- U.S. Securities and Exchange Commission (SEC) — <https://www.investor.gov>
- milSuite — <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.
LES	Leave and Earnings Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
MLA	Military Lending Act	The Military Lending Act protects Service members and their families by limiting the cost of credit offered to 36% annual percentage rate.
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)

- *Leadership Training* Counselor Checklist
- *Leadership Training* Counselee Checklist

Handouts:

- *The Need for Personal Financial Management* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* Handout
- *Financial Warning Signs* Handout
- *Military Retirement* Handout
- *Thrift Savings Plan* Handout
- Optional Discussion not included in PowerPoint: *Spending Plan Worksheet*

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.

- *Leadership Training* Touchpoint Checklists and Handouts
- *Leadership Training* PowerPoint (PPT) Training slides and Instructor Guide (IG)
- *Leadership Training* Videos and Video Discussion Guides (VDG)

3. Online Training

- *Leadership Training* course (Navy e-Learning, My Navy Portal or your service-specific e-Learning site)

VI. ADDITIONAL LEARNING AND ACTIVITIES

As a CFS, you need to assist your leadership in recognizing warning signs to look for with Service members in their command who might be experiencing financial distress (late to work, work suffering, trouble with transportation to and from work etc.).

There are many ways you can do this, whether they have reached a required training or not. Incorporating training into everyday discussions, leadership or command briefs, and regular CFS discussions can aid in recognizing issues quickly, before they manifest into issues that affects the mission, the team, or the safety of your command.

Here are some activities to have with your audience:

- Review the *Financial Warning Signs* Handout. Do you know how to recognize when someone is having financial problems? Do you know where to send them? Discuss where to get help. Discuss service-specific relief societies listed on the Handout.
- Review the *The Need for Personal Financial Management (PFM)* Handout. What is personal financial management? Can you explain it to your clients?
- Role play. Using the *Leadership Counselor/Counselee* Checklists, provide a counseling session.

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

LEADERSHIP TRAINING

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS



Taking on a leadership role in the Navy comes with many responsibilities. One of which is to ensure financial readiness in order to sustain mission readiness. This checklist can help you as a leader to handle the challenges that come with your role.

***Counselor:** Use this checklist and the listed handouts as a solution-focused tool to help Sailors, in a class setting or one-on-one conversation, set goals, establish priorities, and develop an action plan. 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

- ✓ The Need for Personal Financial Management
- ✓ Financial Warning Signs
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Military Retirement



BASIC FINANCE

- Be aware of the unique financial issues affecting the military lifestyle. Review the "Need for Personal Financial Management" handout for more information.

***Counselor:** Remind leaders of the struggles they may have had coming into the military. It's important to understand the financial challenges unique to the military such as deployments, frequent moves, etc. The key is to realize the significance of good money management. Strong habits will have a positive impact on personal relationships, stress levels and mission readiness.*

- Know the resources available to assist your Sailor. Help is available at the Fleet and Family Support Center, your Command Financial Specialists (CFS), and through the Navy-Marine Corps Relief Society (NMCRS).

***Counselor:** Sailors who are struggling and need specific help should come to the Fleet and Family Support Center. Let them know they can speak to a Financial Counselor and get on track. Additionally, they can seek help at the Navy-Marine Corps Relief Society (NMCRS). This is a nonprofit organization providing interest-free loans and educational assistance to members of the Navy, eligible family members and survivors.*

- Know your role and responsibilities as a leader in the Navy. Review the "Financial Warning Signs" handout for more information on financial risk factors.

***Counselor:** Remind leaders it is their duty as a leader to help identify the warning signs of financial trouble. Encourage them to use this checklist and the available resources to get informed and manage situations early. It is critical to catch problems before they begin to impact family and work relationships, mental well-being and mission readiness.*

- Learn how to identify Sailors who might be experiencing financial hardships.

***Counselor:** Communication is key. Encourage the counselees to foster a healthy culture of communication and the importance of financial readiness. Try to identify possible warning signs of financial problems sooner rather than later. However, be sure to remind counselees to maintain confidentiality.*

- Understand that Sailors will be required to complete financial training at various career milestones and life events. These events include: Initial Entry Training, First Duty Station, Subsequent Duty Station (for members in paygrades E-4 or below and O-3 or below), Promotion (for members in paygrades E-5 or below and O-4 or below), Vesting in TSP, Major Life Event (Marriage, Divorce, First Child, Disabling Sickness or Condition), Leadership Training, Entitlement to Continuation Pay, Pre- and Post-Deployment, and Transition.
- 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 (or inform) leaders about the new security clearance review process. Historically, individuals were up for periodic reviews every five to 10 years depending on the type of clearance. Now, individuals are under continuous monitoring which automatically pulls financial data. Issues that are not dealt with can result in a loss of clearance. As a leader, it is critical to identify and provide help to Sailors in need before there is a risk to the mission by losing a clearance.

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).
- 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 benefits of each military retirement system: Legacy "High-3" or Blended Retirement System (BRS) and the rules on Thrift Savings Plan (TSP) matching/vesting. As a leader, you may receive questions on either system.
- Review the "Military Retirement" handout accompanying this checklist for more information.

Counselor: Remind counsees the ways to succeed with each retirement system. Serving for over 20 years allows a Sailor to receive the pension under the Legacy system and BRS. In addition, with BRS, the emphasis is on saving a minimum of 5% into the TSP to receive the full matching contribution — which is free money! This money goes with Sailors when they separate if vesting requirements are met, and even if they don't serve 20 years or more. For leaders in the military, they need to ensure their team understands the basics of military pay and benefits. Additionally, leaders may be considering their own Continuation Pay options if they're in the BRS so be sure to cover that section of the handout and refer to the appropriate resources: <https://militarypay.defense.gov/blendedretirement>.

- Understand the importance of retirement planning throughout the military lifecycle. It is never too early to start planning for retirement. The sooner you begin saving, the more time your resources have to grow with the power of compound interest. This means you may be able to save less over time to reach your goals. Once you start saving, it shouldn't be a "set it and forget it" mentality. Revisit savings goals and TSP contributions regularly.
- Review TSP and withdrawal/rollover options upon reaching retirement age and/or separating from the military.
 1. Leave the TSP in place, but once you separate from service, you no longer make contributions to the account.
 2. Withdraw funds from the TSP. Taxes and penalties may apply, depending on your situation.
 3. Rollover the TSP into an Individual Retirement Account. This typically has no tax implications if the rollover is done into the proper account type (Traditional or Roth).

For more information, visit www.tsp.gov. Speak with a financial counselor at the Fleet and Family Support Center for help with your specific situation.

Additional notes: _____

LEADERSHIP TRAINING



MY CHECKLIST

NAVY FINANCIAL READINESS

Taking on a leadership role in the Navy comes with many responsibilities. One of which is to ensure financial readiness in order to sustain mission readiness. This checklist can help you as a leader to handle the challenges that come with your role.

HANDOUTS

- ✓ The Need for Personal Financial Management
- ✓ Financial Warning Signs
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Military Retirement

★ BASIC FINANCE

- Be aware of the unique financial issues affecting the military lifestyle. Review the "Need for Personal Financial Management" handout for more information.
- Know the resources available to assist your Sailor. Help is available at the Fleet and Family Support Center, your Command Financial Specialists (CFS), and through the Navy-Marine Corps Relief Society (NMCRS).
- Know your role and responsibilities as a leader in the Navy. Review the "Financial Warning Signs" handout for more information on financial risk factors.
- Learn how to identify Sailors who might be experiencing financial hardships.
- Understand that Sailors will be required to complete financial training at various career milestones and life events. These events include: Initial Entry Training, First Duty Station, Subsequent Duty Station (for members in paygrades E-4 or below and O-3 or below), Promotion (for members in paygrades E-5 or below and O-4 or below), Vesting in TSP, Major Life Event (Marriage, Divorce, First Child, Disabling Sickness or Condition), Leadership Training, Entitlement to Continuation Pay, Pre- and Post-Deployment, and Transition.
- 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.

★ 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).
- 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 benefits of each military retirement system: Legacy "High-3" or Blended Retirement System (BRS) and the rules on Thrift Savings Plan (TSP) matching/vesting. As a leader, you may receive questions on either system.
- Review the "Military Retirement" handout accompanying this checklist for more information.
- Understand the importance of retirement planning throughout the military lifecycle. It is never too early to start planning for retirement. The sooner you begin saving, the more time your resources have to grow with the power of compound interest. This means you may be able to save less over time to reach your goals. Once you start saving, it shouldn't be a "set it and forget it" mentality. Revisit savings goals and TSP contributions regularly.
- Review TSP and withdrawal/rollover options upon reaching retirement age and/or separating from the military.
 1. Leave the TSP in place, but once you separate from service, you no longer make contributions to the account.
 2. Withdraw funds from the TSP. Taxes and penalties may apply, depending on your situation.
 3. Rollover the TSP into an Individual Retirement Account. This typically has no tax implications if the rollover is done into the proper account type (Traditional or Roth).

For more information, visit www.tsp.gov. Speak with a financial counselor at the Fleet and Family Support Center for help with your specific situation.

Additional notes: _____

CFS/PFM Printed Name

Counselor Printed Name

Signature

Date

Signature

Date



Leadership Training

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Leadership Training* course is organized into seven parts:

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

2. **Personal Financial Management**
 - Financial Readiness Is Mission Readiness
 - ✓ What Is Personal Financial Management?
 - ✓ Don't Wait to Get Started
 - ✓ Security Clearances
 - ✓ Understanding Training Requirements

3. **Why Are Service Members Vulnerable?**
 - Reasons Related to Military Lifestyle

4. **Consumer Protection Laws**
 - Servicemembers Civil Relief Act (SCRA)
 - Military Lending Act (MLA)

5. **Financial Warning Signs**
 - Know Your Role
 - Know the Common Risk Factors
 - Learn How to Identify Service Members at Risk

6. **Retirement**
 - Understand the Benefits of All Systems
 - Understand the Importance of Retirement Planning
 - Understand and Review TSP Options
 - Update Estate Planning Documents

7. **Summary and Resources**

TOTAL: 60 minutes

II. LEARNING OBJECTIVES

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

- TLO:** Recognize the importance of personal financial management and what resources are available.

ELOs: Identify benefits of responsible personal financial management. Identify financial issues that are unique to or affected by the military lifestyle. Identify consequences of financial mismanagement in both the military and civilian sectors. Know what information is necessary for obtaining higher security levels. Understand leadership duties in assisting staff and Service members in acquiring security clearances.
- TLO:** Be able to identify warning signs of Service members at risk for financial problems.

ELOs: Know how to identify indicators of Service members that are financially at risk. Understand the leadership role and responsibilities for identifying and providing resources to those financially at risk. Know how to approach at-risk Service members with concerns. Understand duty to warn and confidentiality concerns. Know resources for at-risk Service members. Understand laws and compliance issues related to assisting Service members. Be able to identify the impacts of financial risk on readiness. Understand the mental stress of financial risk on readiness. Understand the personal family issues associated with financial risk and readiness.
- TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.



ELOs: Understand the basics of military retirement pay. Understand and convey the importance of comprehensive military retirement planning throughout the military life cycle.
- TLO:** Know military consumer protection law fundamentals, including Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA).

ELOs: Understand why Service members are targets for predatory lending and fraud. Understand the components and protections for Service members under the SCRA. Understand the components and protections for Service members under the MLA. Know basic procedures for handling a consumer complaint or dispute associated with the SCRA or MLA.

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 needed:

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

Forms and Handouts:

- *Leadership Training* Checklist
- *The Need for Personal Financial Management* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* Handout
- *Financial Warning Signs* Handout
- *Military Retirement* Handout
- *Thrift Savings Plan* Handout

IV. CONTENT



SLIDE 1

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 your role as a leader in helping Service members manage their finances, so let's get started!



SLIDE 2

Agenda



INSTRUCTOR NOTE: *Leadership Training* Counselor Checklist

To help you understand the content in this presentation, we will use the *Leadership Training* Counselor Checklist to explore:

- Personal Financial Management
- Why Are Service Members Vulnerable?
- Consumer Protection Laws
- Financial Warning Signs
- Retirement

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



SLIDE 3

Personal Financial Management (PFM)

Let's use the *Leadership Training* Checklist and the *Need for Personal Financial Management (PFM)* Handout to discuss the following:



INSTRUCTOR NOTE: *The Need for Personal Financial Management* Handout

Financial readiness is mission readiness

As leaders, we need to understand that if a Coast Guard member is financially fit, they are better able to fulfill their duties of the mission. Understanding the need for PFM, and how to achieve it are the first steps to helping your Coast Guard members navigating their way to financial readiness and a better future.

What is personal financial management?

Let's start with understanding the meaning of PFM – simply put, it's managing your money, saving and investing. You can help your Service members start on the road to improved financial management by following these six steps: set financial goals, create and follow a spending plan, save for emergencies, adequately insure (protect) your family, save/invest 10% – 15% of pretax income, and have an estate plan.

Don't wait to get started

It's important to stress to your Service members that not taking action to learn about and improve their financial readiness can hurt them.

On a personal level, financial problems can lead to health problems and result in conflict and instability with their family.

Professionally, financial issues that are not dealt with can result in stress at work, the inability to focus on their job, time and energy lost, negative evaluations, loss of promotions, and can even cost their security clearance due to poor credit history.

Security clearances

Speaking of security clearances, it's important for leaders to help Service members obtain and retain their security clearances. As many of you know, there is a new security clearance review process. Historically, individuals were up for periodic reviews every 5 to 10 years depending on the type of clearance. Now, individuals are under continuous monitoring which automatically pulls financial data. Issues that are not dealt with can result in a loss of clearance. As a leader, it is critical to identify and provide help to Service members in need before there is a risk to the mission by losing a clearance.

You need to remind them to check each of their three major credit reports at www.annualcreditreport.com. Also inform them that effective 31 October 2019, active duty and reserve members can request free credit monitoring services from the nationwide credit reporting agencies. For more information, visit <https://www.ftc.gov/news-events/press-releases/2019/10/military-service-members-can-obtain-free-credit-monitoring>.

Understand training requirements

As leaders, we need to ensure Service members understand they are required to complete financial training at various career milestones and life events. These events include: Initial Entry Training, First Duty Station, Subsequent Duty Station (for Service members in paygrades E-4 or below and O-3 or below), Promotion (for Service members in paygrades E-5 or below and O-4 or below), Vesting in TSP, Major Life Event (Marriage, Divorce, New Child, Disability), Leadership Training, Entitlement to Continuation Pay, Pre- and Post-Deployment, and Transition.



SLIDE 4

Why Are Service Members Vulnerable?

Ask the attendees: Why do you think the military are vulnerable? Confirm any of their answers and then discuss the list quickly: young, away from home, deployments, frequent moves, and spouse unemployment.

Military members tend to have increased financial management issues for a number of reasons including age and military lifestyle.



SLIDE 5

Consumer Protection Laws



INSTRUCTOR NOTE: *Military Consumer Protection and Understanding Sources of Help for Military Consumers* Handouts

As leaders, you need to know and understand two consumer protection laws that protect your Service members: Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA).

Servicemembers Civil Relief Act (SCRA)

Let's start with the SCRA. The SCRA provides extra financial and legal protections to active-duty Service members and Reservists when in active military service. Let's discuss a few of its provisions:

6% APR for pre-active duty debt — You and your Service members can request to have the interest rate be reduced to 6% for the duration of your military obligation on pre-active duty debts such as credit cards, loans, mortgages, etc.

Student loans — There are special rules when it comes to student loans. You and your Service members may be able to defer payments or pay no interest while deployed.

Leases — If you or your Service member have any lease (residential or vehicle) or entered into a cellphone service agreement, you can request termination of the lease when called to active duty or PCS or deployed. It's best to notify those companies in writing before you execute your orders. Speak with the legal service office. They can review your situation and see if you qualify.

INSTRUCTOR NOTE: For auto leases, the protection only applies 1) if activating for 180 days or longer, 2) PCS orders CONUS to OCONUS, OCONUS to OCONUS, or OCONUS to CONUS (but usually not CONUS to CONUS), or 3) deploying for 180 days or longer.

For residential leases, Service member should give at least 30 days notice from the date the orders were issued. Once notified, lease can be terminated 30 days after the next payment is due.

Legal proceedings — SCRA offers certain protections from legal proceedings while you and your Service member are deployed. Generally, you are protected from being evicted, default judgments, and having any property repossessed that you used to secure a loan. These issues may not go away entirely, and you may have to deal with them when you return.

Default judgments — The SCRA also protects you from default judgments while on active duty when you are deployed or overseas. If a civil action, a civil proceeding or an administrative proceeding is filed against you, the judge must appoint a lawyer to represent you in your absence. The court may grant a delay. This applies to civil lawsuits, suits for paternity, child custody suits, bankruptcy debtor/creditor meetings, and administrative proceedings.

Military Lending Act (MLA)

While you and your Service members are on active duty, whether deployed or not, the MLA prohibits charging an interest rate higher than 36% on most consumer loans, and provides other protections as well.

If you or your Service member needs help asserting your rights with your lenders, or have questions about your legal obligations, get help from the Legal Service Office.



SLIDE 6

Financial Warning Signs

There are three main keys for leaders to be aware of for recognizing financial warning signs: know your role, know the common risk factors and learn how to identify Service member at risk. Again, using the *Leadership Training Checklist*, *Financial Warning Signs* and *Military Risk Factors* Handouts let's explore them.



INSTRUCTOR NOTE: *Financial Warning Signs* Handout

Know your role — First, let's discuss knowing your role. It is your duty as a leader to help identify the warning signs of financial trouble. It is critical to catch problems before they begin to impact family and work relationships, mental well-being and mission readiness.

Financial Warning Signs	
• Unable to pay bills	• Spouse lost job
• Unable to afford car	• Divorce / separation
• Insufficient funds charges	• Facing foreclosure
• Not enough money	• Can't sell your home
• No savings	• Need to start saving and investing
• No emergency fund	
• Over your head in debt	

SLIDE 7

Financial Warning Signs

Know the common risk factors

Next, let's discuss the common risk factors. There may be a risk for financial problems if you or your Service members are experiencing any of these issues.



INSTRUCTOR NOTE: *Financial Warning Signs and Military Risk Factors* Handouts

- Unable to pay bills
- Unable to afford car
- Insufficient funds charges
- Not enough money
- No savings
- No emergency fund
- Over your head in debt
- Spouse lost job
- Divorce/separation
- Facing foreclosure
- Can't sell your home
- Need to start saving and investing

Try to identify possible warning signs of financial problems sooner rather than later while maintaining confidentiality.

Consequences	
Military	Financial
Negative evaluation	Overdraft fees
Loss of promotion	Not granted credit
Loss of overseas transfer	Bad credit report
Loss of security clearance	Low credit score
Reduction in rank	Repossession
Non-judicial Punishment (NJP)	Foreclosure
Admin discharge	Bankruptcy

SLIDE 8

Consequences

All of these risk factors may have both military and financial consequences:

Military

- Negative evaluation
- Loss of promotion
- Loss of overseas transfer
- Loss of security clearance
- Reduction in rank
- Non-judicial Punishment (NJP)
- Administrative discharge

Financial

- Overdraft fees
- Denied credit
- Bad credit report
- Low credit score
- Repossession
- Foreclosure
- Bankruptcy



SLIDE 9

Service Members at Risk

Learn how to identify Service members at risk

As leaders, we need to learn how to identify Service members at risk. It takes communication and observation. You will need to foster a healthy culture of communication and the importance of financial readiness. Things to watch for: distracted on the job, sudden poor performance, unkempt appearance, change in life circumstances, missing work for appointments or frequently sick and creditors calling the command.



SLIDE 10

Retirement



INSTRUCTOR NOTE: *Military Retirement* Handout

Retirement may seem distant to you and your Service members, but it's important to help them start planning now to build financial security during their retirement. As leaders, it's important to understand the following:

- The benefits of all retirement systems
- The importance of retirement planning itself
- The Thrift Savings Plan and its options

Understand the Benefits

	Legacy (High-3)	Blended Retirement System (BRS)
Pay Formula	Years & months of service x 2.5% or average of 3 highest months of base pay	Years & months of service x 2.5% or average of 3 highest months of base pay
CSRA	Full	Full
DR RDB	60%	60%
DR YDB	75%	60%
DR RDB	None	60%
TSP	Yes but without government contributions	Yes with government contributions
Continuation Pay	No	Yes, 12 yr mark
Lump-Sum	No	Yes
All References		https://militarypay.defense.gov/Pay/Retirement/

SLIDE 11

Understand the Benefits

Let's take a look at the *Military Retirement* Handout and review the benefits of each retirement system displayed on this slide, which shows a side-by-side comparison of the two main military retirement options: Legacy (High-3) and Blended Retirement System (BRS).

Both military retirement options consist of two components to help you and your Service member reach their retirement goals.

These components include retirement pay (pension) for serving the equivalent of 20 years and the Thrift Savings Plan (TSP) retirement savings account regardless of time served. The BRS has additional components that we will briefly discuss.

INSTRUCTOR NOTE: Briefly discuss the information on the slide and the *Military Retirement* Handout noting the key differences such as pay formula multipliers, matching TSP, Continuation Pay and lump-sum options. Per the law, some branches of service's Continuation Pay options range from 8 to 12 years of service with a minimum of 3 years of additional service. The military is currently 12 years of service and 4 years of additional service.

Also, be prepared to answer questions about the CSB-Redux option, which some Service members may have elected. For more information on all the retirement systems, visit <https://militarypay.defense.gov/Pay/Retirement/>.

Defined Contribution Thrift Savings Plan (TSP)

You Contribute	Service Auto Contribution* (1% of base)	Service Matching Contribution* (up to 5% of pay)	Total
0%	1%	0%	1%
1%	1%	1%	2%
2%	1%	2%	3%
3%	1%	3%	4%
4%	1%	3.5%	4.5%
5%	1%	4%	5%

*Automatic and matching contributions are made on your Traditional TSP account.

SLIDE 12

BRS TSP Government Contributions

Let's discuss how the BRS TSP government contribution works. The DoD will match, dollar-for-dollar, the first 3%. After that, they will match \$.50 for each additional percent up to 5% — this is the maximum they will match. So if your Service member contributes 5%, the DoD will contribute the 1% automatic and a 4% match. Automatic and matching funds will be deposited into the traditional TSP.



SLIDE 13

Understand...



INSTRUCTOR NOTE: *Thrift Savings Plan* Handout

Leaders need to help their Service members understand:

- The importance of retirement planning and
- TSP and withdrawal options

The importance of retirement planning

Never too early (or late) to start — It's important to convey this to your Service members. Whether they are brand new in the military or about to retire, it's always the right time to start saving for their retirement even if it's a small amount.

The sooner you start the less you have to save — That's because Service members will have more time to accumulate wealth. Compound interest and time work hand in hand — the more time they give their money to make more money, the more wealth they will build.

Review periodically — As leaders, we need to ensure they review their savings goals, funds and tools regularly to ensure they are reaching their goals and maximizing compound interest and time as well as minimizing risk according to their risk tolerance.

TSP and withdrawal option

Now let's discuss the TSP and the withdrawal options.

Review fund options annually — Remind your Service members to review their TSP funds annually to ensure it meets their retirement goals and needs. Do they need to reallocate to take more or less risk?

Leave in TSP — When you or your Service member leaves the service, they can leave their money in TSP and allow it to grow until they are eligible to make penalty-free withdrawals at 59 ½. They will not be able to make monthly contributions to their TSP once they separate, but they can make transfers from most employer retirement plans (if the plan allows) and from a traditional IRA.

Transfer into an IRA or employer retirement plan — They can transfer their TSP into an IRA or other employer's retirement plan, if the plan allows. However, be mindful that the administrative fee may be higher than TSP's, which is currently .043% per \$1,000 managed — the average 401(k) charges up to 1% per \$1,000 managed.

Withdrawing early has penalties — Be sure to inform your Service members that withdrawing early could have tax implications and penalties. If they withdraw their money before 59 ½ there is a 10% early withdrawal penalty on the taxable portion. On Traditional account distributions, the taxes and penalties typically apply on the entire distribution (except any tax-exempt contributions). On Roth account distributions, the taxes and penalties apply only on the growth.

Withdraw when eligible at age 59 ½ without penalty — If you wait until you are 59 ½, there is no 10% withdrawal penalty. However, your Traditional funds will be subject to taxation (growth on Roth accounts if owned for less than five years, are also subject to taxation).



SLIDE 14

Update Estate Planning Documents

Remind Service members that before they retire from the military, and periodically throughout their career, to visit the installation legal office and update all their estate-planning documents. Documents to consider are wills, powers of attorney, trusts, and advance directives.

Also, recommend that they periodically review and update beneficiaries on accounts like SGLI, TSP and other insurance policies, plus verify their page 2 for accuracy.

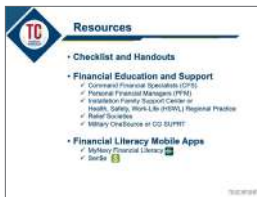


SLIDE 15

Summary

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

- Personal Financial Management
- Why Are Service Members Vulnerable?
- Consumer Protection Laws
- Financial Warning Signs
- Retirement



SLIDE 16

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.



SLIDE 17

Thank You!

Thank you for participating, and I wish you the best.

CFS Preparation: Distribute and discuss the Leadership 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 will focus on your role in maintaining financial readiness with those you lead. Financial readiness has a direct impact on mission readiness, so it's important to recognize warning signs of financial stress and be able to assist your Sailor/Marine/Coast Guard member/Soldier.

Play Video 1 for Full Introduction



1. Leadership Introduction

CFS Preface: When finances are not a stress in one's life, the ability to focus on tasks at hand is improved. In your role you can have a direct impact on improving the financial lives of those who work for you. It is important to maintain relevant knowledge, know warning signs of financial distress and keep up to date POCs for referral resources who can assist you.

Play Video 2

Discussion Questions



2. Need for PFM and Financial Warning Signs

1. Why do military members tend to have more financial issues than their civilian counterparts?

CFS Talking Points: Age, no foundation of financial education, military lifestyle such as frequent moves, deployments, managing money separately from spouse, spouse unemployment, cost of living, access to credit

2. How can you utilize your Command Financial Specialists to help alleviate and possibly avoid poor financial decisions?

CFS Talking Points: Make sure you have quality CFSs who are properly trained, seek continuing education and maintain current, relevant information. Have CFSs hold trainings on regular basis (INDOC, unit trainings, safety stand-downs), support CFS office hours, promote CFS to members, and advertise the program.

3. What ways can you work with the PFM program to improve the overall financial well-being of your military members?

CFS Talking Points: Invite PFMs to trainings, schedule briefs, communicate on concerns/issues, attend Leadership Financial Seminars offered at installation, maintain current POC, offer services to military members, support members seeking services.

Play Video 3



3. Financial Planning

Discussion Question

Were you surprised at any of the top 5 money mistakes?

CFS Talking Points: Facilitate and encourage discussion. It is common knowledge that many military members have financial concerns. Remind Leadership to have continuous conversations around positive financial behaviors.

Knowledge Check

Question: Where can consumers go to view copies of their credit reports at no cost?

Answer: www.annualcreditreport.com

Play Video 4



4. Retirement System Overview

Discussion Question

Ask Leadership what questions they have regarding the military retirement systems: Legacy and Blended Retirement System.

CFS Talking Points: Discuss commonly misunderstood components:

- Legacy pension calculation = $2.5\% \times \text{YOS} \times \text{high } 3$
- BRS pension calculation = $2.0\% \times \text{YOS} \times \text{high } 3$
- TSP under Legacy: No automatic government contributions, no match
- TSP under BRS: Automatic government contribution at 1%, match 4% for a total of 5% on base pay
- BRS Continuation Pay: Lump sum payment at 12 YOS in exchange for additional service
- BRS lump sum at retirement: Option to receive lump sum payment which reduces pension by 25% or 50%

Play Video 5



5. Understanding and Managing TSP

Discussion Question

What options do military members have regarding tax treatment of TSP contributions?

CFS Talking Points: Ensure Leadership understands both tax advantages.

- Roth: Taxable income now, tax-free withdrawals (meet rules for qualifying)
- Traditional: Not taxable now, taxable when withdrawn at ordinary income rates

Knowledge Check

Question: What investment options are available in the TSP?

Answer:

- G Fund: Government securities
- F Fund: Government, corporate, mortgage-backed bonds
- C Fund: Sock fund, replication of the S&P 500
- S Fund: Stock fund investing in mid- and small-sized domestic companies
- I Fund: Stock fund investing in international companies
- L Funds: Professionally designed mix of all 5 core funds based on target-date which is the date of retirement and beginning of withdrawals from the account

Play Video 6



6. Facilitator Conclusion

CFS Conclusion: Let's review. In today's training, we discussed common mistakes made regarding financial decisions of military members and how to learn to recognize and avoid them. Next, we discussed the military retirement systems and the TSP. What questions can I answer about the topics reviewed today?

Remember your Command Financial Specialists and PFMs are ready and willing to assist your military members in making financial plans and decisions by providing information, education and providing referral resources. Encourage your Sailor/Marine/Coast Guard member/Soldier to take advantage of the resources afforded to them and let us know how we can assist you in ensuring your members are financially equipped and confident in the decisions they make.



Leadership Training Presentation





1


Agenda

- **Personal Financial Management**
- **Why Are Service Members Vulnerable?**
- **Consumer Protection Laws**
- **Financial Warning Signs**
- **Retirement**

 Leadership Training Counselor Checklist Available


TOUCHPOINT

2



Personal Financial Management

- **Financial Readiness Is Mission Readiness**
 - ✓ What is personal financial management?
 - ✓ Don't wait to get started
 - ✓ Security clearances
 - ✓ Understand training requirements



The Need for Personal Financial Management Handout Available

TOUCHPOINT

3



Why Are Service Members Vulnerable?

- Young
- Away from home
- Deployments
- Frequent moves
- Spouse unemployment

TOUCHPOINT

4



Consumer Protection Laws


- **Servicemembers Civil Relief Act (SCRA)**
 - ✓ 6% APR for pre-active duty debt
 - ✓ Student loans
 - ✓ Leases
 - ✓ Legal proceedings
 - ✓ Default judgments
- **Military Lending Act (MLA)**
 - ✓ 36% interest cap
 - ✓ Covers most consumer loans



Military Consumer Protection Handout Available


TOUCHPOINT

5




Financial Warning Signs


Know your role



Know the common risk factors



Learn how to identify
Service members at risk



Financial Warning Signs Handout Available

TOUCHPOINT

6




Financial Warning Signs

- Unable to pay bills
- Unable to afford car
- Insufficient funds charges
- Not enough money
- No savings
- No emergency fund
- Over your head in debt
- Spouse lost job
- Divorce / separation
- Facing foreclosure
- Can't sell your home
- Need to start saving and investing

TOUCHPOINT

7




Consequences

Military	Financial
Negative evaluation	Overdraft fees
Loss of promotion	Not granted credit
Loss of overseas transfer	Bad credit report
Loss of security clearance	Low credit score
Reduction in rank	Repossession
Non-judicial Punishment (NJP)	Foreclosure
Admin discharge	Bankruptcy

TOUCHPOINT

8




Service Members at Risk

It takes communication and observation

- Distracted on the job
- Sudden poor performance
- Unkempt appearance
- Change in life circumstances
- Missing work for appointments
- Creditors calling the command


TOUCHPOINT

9



Retirement

- **Understand the benefits of each system**
- **Understand the importance of retirement planning**
- **Understand and review TSP options**



Military Retirement Handout Available

TOUCHPOINT

10

Understand the Benefits

	Legacy (High-3)	Blended Retirement System (BRS)
Pay Formula	Years & months of service x 2.5% x average of 36 highest months of base pay	Years & months of service x 2.0% x average of 36 highest months of base pay
COLA	Full	Full
20 YOS	50%	40%
30 YOS	75%	60%
40 YOS	100%	80%
TSP	Yes but without government contributions	Yes with government contributions
Continuation Pay	No	Yes, 12-yr. mark
Lump-Sum at Retirement	No	Yes <small>(25% or 50% with reduced annuity until age 67)</small>

TOUCHPOINT

11


Defined Contribution Thrift Savings Plan (TSP)

You Contribute	Service Auto Contribution* (after 60 Days)	Service Matching Contribution* (after 24 months of service)	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%

*Automatic and matching contributions are made to your Traditional TSP account

TOUCHPOINT

12




Understand...

The importance of retirement planning

- Never too early (or late) to start
- The sooner you start the less you may have to save
- Gives more time to accumulate wealth
- Review periodically

TSP and withdrawal options

- Review fund options annually
- Leave in TSP
- Transfer into an IRA or employer retirement plan
- Withdrawing early has penalties and could have tax implications
- Withdrawal when eligible at age 59 ½ without penalty



Thrift Savings Plan Handout Available

TOUCHPOINT

13



Update Estate Planning Documents

Visit Installation Legal Office

Wills

↓

Powers of Attorney

↓

Trusts

↓


Advance Directives

↓

Beneficiaries

14 TOUCHPOINT

14



Summary

Congratulations on reaching this important milestone!


You are taking on a leadership role in the military and the responsibility for ensuring individual financial readiness in order to sustain mission readiness for your command.

Let's recap what you learned.



- ✓ Personal Financial Management
- ✓ Why Are Service Members Vulnerable?
- ✓ Consumer Protection Laws
- ✓ Financial Warning Signs
- ✓ Retirement

TOUCHPOINT

15




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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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 12A

Pre-Deployment Preparation





Pre-Deployment Student Manual



I. INTRODUCTION

Preparing for deployment can be a stressful time for Service members and their families. Deployment can also provide an excellent opportunity to improve their financial situation, if they are prepared. After completing this chapter, you will have the information to help Service members and their families get their finances ready before a deployment.

II. LEARNING OBJECTIVES

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

- 1. TLO:** Identify warning signs of Service members at risk for financial problems.
ELOs: Recognize indicators of Service members who are financially at risk. Know how to approach at-risk members with concerns. Understand duty to warn and confidentiality concerns. Know resources for at-risk members.
- 2. TLO:** Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.
ELOs: Be able to estimate the potential savings and expenses associated with deployment (storage, suspended utilities, etc.). Know ways to maximize savings and minimize spending while deployed. Be able to develop a budget for deployment.
- 3. TLO:** Understand the fundamentals and management of debt and credit.
ELO: Understand how to access and use individual financial protection measures such as active-duty alerts and security freezes with credit reporting agencies.
- 4. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.
ELOs: Understand what taxes need to be considered when deployed. Understand residency and tax implications while deployed. Understand the importance of providing tax documentation to beneficiaries to handle during deployment. Update contact information pre- and post-deployment. Establish and prepare a point of contact with tax documentation and information during deployment. Understand how to work with an accountant for tax filing in absentia. Review tax implications of deployment pay.
- 5. TLO:** Know military consumer protection law fundamentals, including the Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA).
ELO: Understand how the basic protections afforded under the SCRA can protect finances.
- 6. TLO:** Recognize and understand how to protect yourself from misleading consumer practices and report complaints.
ELO: Recognize scams that target deployed Service members.
- 7. TLO:** Recognize and identify steps to resolve identity theft.
ELOs: Know how to secure personal information for deployment. Know how to check and track personal information while deployed.

- 8.** **TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.
ELOs: Know what types of additional life insurance are available. Understand how to evaluate estate to know if additional life insurance is necessary. Understand and be able to update insurance policies with additional points of contact for deployment. Understand the need to provide and make insurance documentation readily available to contacts and beneficiaries. Know how to review insurance information and policies and update post-deployment.
- 9.** **TLO:** Understand the purpose and implications of estate planning (beneficiaries, wills, trusts, powers of attorney, etc.).
ELOs: Check and track information while deployed. Reevaluate and update survivor benefit elections. Ensure estate planning documents are up to date.
- 10.** **TLO:** Examine the impact of special pay and entitlements.
ELO: Understand special pay for pre- and post-deployment such as combat pay, family separation, etc.
- 11.** **TLO:** Discuss TRICARE options and costs.
ELO: Know how to update coverage under TRICARE. (Guard/Reserve members are eligible for TRICARE Prime when activated for 30 days or more.)
- 12.** **TLO:** Discuss survivor and dependent benefits.
- 13.** **TLO:** Recognize the importance of and be able to develop savings and an emergency fund.
ELOs: Understand the purpose and basic components of the Savings Deposit Program. Be able to calculate return of investment under the Savings Deposit Program. Understand withdrawal considerations.
- 14.** **TLO:** Understand and be able to manage a Thrift Savings Plan (TSP) account.
ELOs: Understand Combat Zone Tax Exclusion (CZTE) eligibility and TSP implications.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.gov>
- Military Compensation Policy — <https://militarypay.defense.gov>
<https://militarypay.defense.gov/Pay>
<https://militarypay.defense.gov/Benefits.aspx>
<https://militarypay.defense.gov/Benefits/Thrift-Savings-Plan>
<https://militarypay.defense.gov/Pay/Tax-Information/CZTE>
<https://militarypay.defense.gov/Benefits/Savings-Deposit-Program>
- milConnect — <https://milconnect.dmdc.osd.mil/milconnect>
- myPay — <https://mypay.dfas.mil>
- Thrift Savings Plan (TSP) — <https://www.tsp.gov>
<https://www.tsp.gov/PlanParticipation/AccountManagement/beneficiaries.html>
<https://www.tsp.gov/planning-for-life-events/>
- Consumer Financial Protection Bureau (CFPB) — <https://www.consumerfinance.gov>
<https://www.consumerfinance.gov/consumer-tools/military-financial-lifecycle>
- Internal Revenue Service (IRS) — <https://www.irs.gov>
<https://www.irs.gov/newsroom/combat-zones>,
<https://www.irs.gov/filing/individual/update-my-information>
- Free annual credit report — <https://www.annualcreditreport.com>
- Federal Trade Commission (FTC) — <https://www.ftc.gov>
- Federal Trade Commission (FTC) Consumer Information — <https://www.consumer.ftc.gov>,
<https://www.IdentityTheft.gov>
- FTC Complaint Assist — <https://www.ftccomplaintassistant.gov>
- Federal Deposit Insurance Corporation (FDIC) — <https://www.fdic.gov>
- National Credit Union Administration (NCUA) — <https://www.ncua.gov>
- Treasury Direct — <https://www.savingsbonds.gov>
- USA.gov — <https://www.usa.gov/saving-investing>
- U.S. Armed Forces Legal Assistance — <https://legalassistance.law.af.mil/>
- Department of Justice —
<https://www.justice.gov/servicemembers/servicemembers-civil-relief-act-scra>
- Servicemembers' Group Life Insurance (SGLI) —
<https://www.va.gov/life-insurance/options-eligibility/sgli>
- Veterans' Group Life Insurance (VGLI) — <https://www.va.gov/life-insurance/options-eligibility/vgli>
- Medicaid — <https://www.medicaid.gov>
- Medicare — <https://www.medicare.gov>
- Healthcare.gov — <https://www.healthcare.gov/have-job-based-coverage/flexible-spending-accounts>
- Department of Veterans Affairs (VA) — <https://www.va.gov>
- Defense Finance and Accounting Service (DFAS) —
<https://www.dfas.mil>, <https://www.dfas.mil/militarymembers/payentitlements/sdp.html>
- Defense Finance and Accounting Service (DFAS)/Survivor Benefit Plan (SBP) —
<https://www.dfas.mil/retiredmilitary/provide/sbp.html>
- TRICARE — <https://www.tricare.mil>
- Defense Enrollment Eligibility Reporting System (DEERS) — <https://www.tricare.mil/deers>
- Military Health System — <https://health.mil>

- U.S. General Services Administration (GSA)/Travel Per Diem rates — <https://www.gsa.gov/travel/plan-book/per-diem-rates>
- U.S. Securities and Exchange Commission (SEC) — <https://www.investor.gov>
- Compound Interest Calculator — <https://www.investor.gov/additional-resources/free-financial-planning-tools/compound-interest-calculator>
- Federal Emergency Management Agency (FEMA) — <https://www.fema.gov/national-flood-insurance-program>
- milSuite — <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
DEERS	Defense Enrollment Eligibility Reporting System	Registration in this database is required for TRICARE eligibility and enrollment.
CONUS	Continental United States	This refers to locations within the continental United States.
OCONUS	Outside Continental United States	This refers to locations outside the continental United States.
LES	Leave and Earning Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
FICO	Fair Isaac Corporation	This type of credit score makes up a substantial portion of the credit criteria report lenders use to assess an applicant's credit risk.
SCRA	Servicemembers Civil Relief Act	The Servicemembers Civil Relief Act eases the financial burden when Service members are called to active duty by postponing, suspending or lessening certain debt obligations and actions.
MLA	Military Lending Act	The Military Lending Act protects Service members and their families by limiting the cost of credit offered to 36% annual percentage rate.
SGLI	Servicemembers' Group Life Insurance	Servicemembers' Group Life Insurance offers low-cost term coverage to eligible Service members.
VGLI	Veterans' Group Life Insurance	Service members who are eligible for Veterans' Group Life Insurance may be able to keep their life insurance coverage after they leave the military for as long as they continue to pay the premiums.

IV. ACRONYMS AND ABBREVIATIONS

Acronym/Abbreviation	Full Name	Definition
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.
CZTE	Combat Zone Tax Exclusion	Earnings received while in the combat zone are excluded from taxable income.
VA	Department of Veterans Affairs	This federal agency provides health and other benefits to eligible veterans and their families.

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)

- *Pre-Deployment CFS/PFM Checklist*
- *Pre-Deployment Counselee Checklist*

Handouts:

- *Spending Plan Worksheet Handout*
- *Combat Zone Tax Exclusion Handout*
- *Estate Planning Handout*
- *TRICARE Overview Handout*
- *Survivor Benefits Overview Handout*
- *Thrift Savings Plan Handout*
- *Financial Warning Signs Handout*
- *Military Consumer Protection Handout*
- *Paying off Student Loans Handout*
- *Sources of Help for Military Consumers Handout*
- *Understanding Credit 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.

- *Pre-Deployment Touchpoint Checklists and Handouts*
- *Pre-Deployment PowerPoint (PPT) Training slides and Instructor Guide (IG)*
- *Pre-Deployment Videos and Video Discussion Guides (VDG)*

3. Online Training

- *Pre-Deployment course (Navy e-Learning, MyNavy Portal or your service-specific e-Learning site)*

VI. ADDITIONAL LEARNING AND ACTIVITIES

Preparing for deployment can be a stressful time for Service members and their families. Deployment can also provide an excellent opportunity to improve their financial situation. As a CFS you can assist members with establishing financial goals. You can also help them understand the Survivor Benefit Plan (SBP) as they may naturally confuse SBP with Servicemembers' Group Life Insurance (SGLI). The training materials, Checklists, and Handouts are all about getting their finances ready before deployment, so they can use the resources available to them and take advantage of opportunities to alleviate stress. The Personal Financial Manager at your local family support center, along with the training material contained in this Student Manual, can help with specific situations before deployment.

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

- Complete the *Spending Plan Worksheet* Handout; account for changes in income, expenses and include saving goals.
- Demonstrate the life insurance needs calculator.
- Review TSP contribution and fund allocations.
- Review the *Combat Zone Tax Exclusion* Handout, explain common tax benefits and special IRS rules that may apply to their deployment.
- Review eligibility requirements for participation in the Savings Deposit Plan (SDP) – considering length and location of deployment.

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
- Financial Planning for Deployment
- The Thrift Savings Plan
- Your Insurance Needs



Preparing for deployment can be a stressful time for you and your family. A deployment can also provide an excellent opportunity to improve your financial situation, if you're prepared. This checklist is all about getting your finances ready before you deploy, so you can take advantage of opportunities and help alleviate stress.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Financial Warning Signs
- ✓ Understanding Credit
- ✓ Combat Zone Tax Exclusion
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Paying off Student Loans
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview
- ✓ Thrift Savings Plan

In addition to the training materials contained in this checklist, the financial counselors at the Fleet and Family Support Center (FFSC), can help you with your specific situation before you deploy.



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.

- Understand the warning signs of debt and know where to get help. Review the “Financial Warning Signs” handout for more information.
- Consider setting up automatic bill payments to ensure you keep up with your financial obligations and communicate with your POA about payments that need to be made throughout the month.

Counselor: Remind counsees to ask their financial institution about any fees associated with bill pay and online banking so they can budget accordingly and be prepared.

- 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.

- Consider obtaining a power of attorney (POA) to authorize your spouse to use the Navy-Marine Corps Relief Society (NMCRS). This will allow your spouse to apply for emergency financial assistance if needed. NCMRS can offer financial assistance, grants, and zero interest loans to Sailors who are experiencing financial hardships.
- Review the “Combat Zone Tax Exclusion” handout to learn more about common tax benefits and special IRS rules that may apply to your deployment.

Counselor: Eligible Service members, serving in a combat zone, can exclude income from taxation by the Internal Revenue Service (IRS). Refer to the "Combat Zone Tax Exclusion" handout provided and IRS Publication 3, The Armed Forces Tax Guide to learn more about tax-filing deadlines, CZTE, and other tax considerations.

- Review your tax situation and act accordingly.
 - For Service members who will be deployed out of the country, extensions of tax filing deadlines may apply. Some extensions are automatic, while some have to be requested of the IRS. The lengths of time involved vary.
 - Consider providing tax documentation to your Power of Attorney (POA), if applicable.
 - For more information, visit www.irs.gov and search “IRS Publication 3, The Armed Forces’ Tax Guide.” This publication covers Service members’ tax benefits and responsibilities in detail.

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: In addition to interest rate benefits, the SCRA may also be helpful with termination of cell phone contracts, automobile leases and residential leases. The SCRA also provides protection in certain situations such as evictions, foreclosures, court proceedings, taxes and liabilities, and installment contracts.

- 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.
- Set up an active duty alert through any one of the three major credit bureaus to help protect against identity theft while you are deployed. An active duty alert requires creditors to take steps to verify the identity of the applicant before granting credit in that person’s name. It is effective for one year, unless you request for it to be removed sooner. If your deployment lasts longer than one year, you may place another alert on the report.

Counselor: Inform the counselees to call the toll-free number for one of the three nationwide consumer credit reporting agencies to place an active duty alert. The agency they call is required to contact the other two agencies and the law allows for personal representatives to place or remove an alert. Encourage them to review their credit report for errors.

Additional notes: _____



MAJOR PURCHASES

- Take advantage of student loan programs offered to deployed Service members. You are legally entitled to have interest on certain student loans suspended for the duration of your service while deployed in a combat zone. Review the “Paying off Student Loans” handout for more information.
- Reserve members with federal student loans may qualify for an income-based payment reduction if they earn less as a result of their mobilization. Service in hostile-fire area may entitle you to loan cancellation.
- The SCRA can reduce the interest rate on student loans for Reserve members ordered to active duty. Speak with your loan servicer to meet documentation requirements.

Counselor: Explain to counselees that information about their student loans can be found on the National Student Loan Data System (NSLDS) at https://nslds.ed.gov/nslds/nslds_SA/.

Additional notes: _____



PLANNING FOR THE FUTURE

- Evaluate your life insurance needs before you deploy 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, then 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 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 counsees 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

- Check the amount of your SGLI coverage, which is automatically \$400,000 unless another election is made.

Counselor: Selected Reservists can purchase SGLI coverage that is in effect 365 days of the year. If mobilized, they may be eligible to elect SGLI or increase coverage. They are also covered for 120 days following separation or release from duty. Refer counsees to www.benefits.va.gov/insurance/ for more information. See www.benefits.va.gov/BENEFITS/factsheets/insurance/SGLI.pdf for more information.

- Review the beneficiaries of your Servicemembers' Group Life Insurance (SGLI). To update the beneficiaries of your SGLI, access the SGLI Online Enrollment System (SOES), by signing into the Milconnect site and searching the "Benefits" tab.
- Review your Record of Emergency Data (DD Form 93), or Page 2, by visiting the Navy Standard Integrated Personnel System (NSIPS) at <https://nsips.nmci.navy.mil/>.
- Carefully review any additional life insurance coverages for potential disqualifying events, like war clauses.
- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your circumstances.
- Update your auto insurance policies, and ensure coverage is appropriate for your current needs.

Counselors: Remind counsees to let their insurer know their car will be “off the road,” if appropriate. Also, if counsees owe money on a car, the creditor will require insurance coverage. It may not be advisable to cancel coverage in most cases. Direct counselee to check with their insurance agent to review options.

- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney and advance directive. If applicable, designate one or more guardians for your dependent(s).

Counselor: For single parents, it may be wise to give a medical power of attorney to your child care provider to handle any medical emergencies that may arise while you are deployed as prescribed by the Family Care Plan. You may also need a special power of attorney for your child’s caretaker to enroll the child in school, sign permission slips, etc. Many financial institutions may require their own POA document, so encourage the counsees to verify if that is the case.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Determine eligibility for special pays and entitlements during your deployment. Also, account for potential changes to your expenses. The chart below outlines a few examples of potential income and expense changes to consider:

Potential Income Changes:*

- Family Separation Allowance (FSA): FSA may be payable at the rate of \$250 per month (pro-rated to \$8.33 per day for periods less than a month)
- Hostile Fire/Imminent Danger Pay: HF/IDP may be payable at the rate of \$225 per month (prorated to \$7.50 per day for periods less than a month)
- Career Sea Pay for enlisted members can range from a monthly rate of \$5 to \$750 depending on paygrade and years of sea duty.
- Combat Zone Tax Exclusion (CZTE)
- Promotion
- Reenlistment bonus
- Loss of spousal income
- Reserve members may find military pay differs significantly from their civilian pay

Potential Expense Changes:*

- Meal deduction in deployment locations
- Extra child care costs
- Extra pet boarding
- Maintenance and repair expenses
- Storage for vehicle or household goods

**Check your Leave and Earnings Statement (LES) to verify pay adjustments are accurately reflected.*

Counselor: Whether a counselee is single, married, has children, or dual-military, every household faces unique challenges during a deployment. Create a plan that works for them and their family. Ask about their financial wishes and if applicable, establish a realistic budget for everyone in their family. They may save money during deployment, but allowances should be made for a recreational break.

- Notify insurance providers of your deployment. Reserve members receive TRICARE coverage for themselves and their eligible dependents when reporting for active duty. Coverage may begin sooner if the orders have a delayed reporting date. Refer to the “TRICARE Overview” handout for more information about health insurance.

Counselor: Reserve members should coordinate health coverage with their civilian employers to ensure continuity of coverage.

- Review the “Survivor Benefits Overview” handout to learn more about policies and programs available for survivors.

Additional notes: _____



SAVING AND INVESTING

- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve.
- Understand the benefits of the DoD’s Savings Deposit Program (SDP). The SDP offers an opportunity to increase returns on cash savings. The program guarantees an annual return of 10%, compounded quarterly, up to \$10,000 in savings. To learn more about the Savings Deposit Program visit the DFAS website at: www.dfas.mil/militarymembers/payentitlements/sdp.html.

Counselor: To participate in the SDP, counselees must meet the following qualifications:

- *Going to an SDP-eligible combat zone.*
- *Receiving Hostile Fire Pay.*
- *Be in theater 30 days before starting the program.*
- *Sign up at the finance office in theater.*

Service members may make a lump-sum deposit up to the income earned (up to \$10,000), once they reach 30 days in theater to maximize the benefit.

- Review the “Thrift Savings Plan” handout for more information about investing options and contribution limits while deployed.
- Consider making Roth contributions to your TSP while deployed, so both contributions and growth can be tax-free for eligible withdrawals at retirement. Special note: Excess contributions made while deployed count toward the Annual Addition Limit (contributions above \$19,500 automatically go into the traditional TSP account). This limit also includes matching service contributions (automatic and matching contributions made, as part of the Blended Retirement System).

Counselor: Reserve members who participate in their civilian employer’s qualified retirement plan should verify their contributions and any employer match. The IRS limits apply to all plans.

PRE-DEPLOYMENT PREPARATION

MY CHECKLIST

NAVY FINANCIAL READINESS



Preparing for deployment can be a stressful time for you and your family. A deployment can also provide an excellent opportunity to improve your financial situation, if you're prepared. This checklist is all about getting your finances ready before you deploy, so you can take advantage of opportunities and help alleviate stress.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Financial Warning Signs
- ✓ Understanding Credit
- ✓ Combat Zone Tax Exclusion
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Paying off Student Loans
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview
- ✓ Thrift Savings Plan

In addition to the training materials contained in this checklist, the financial counselors at the Fleet and Family Support Center (FFSC), can help you with your specific situation before you deploy.



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.



- Understand the warning signs of debt and know where to get help. Review the “Financial Warning Signs” handout for more information.
- Consider setting up automatic bill payments to ensure you keep up with your financial obligations and communicate with your POA about payments that need to be made throughout the month.
- 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.
- Consider obtaining a power of attorney (POA) to authorize your spouse to use the Navy-Marine Corps Relief Society (NMCRS). This will allow your spouse to apply for emergency financial assistance if needed. NCMRS can offer financial assistance, grants, and zero interest loans to Sailors who are experiencing financial hardships.
- Review the “Combat Zone Tax Exclusion” handout to learn more about common tax benefits and special IRS rules that may apply to your deployment.
- Review your tax situation and act accordingly.
 - For Service members who will be deployed out of the country, extensions of tax filing deadlines may apply. Some extensions are automatic, while some have to be requested of the IRS. The lengths of time involved vary.
 - Consider providing tax documentation to your Power of Attorney (POA), if applicable.
 - For more information, visit www.irs.gov and search “IRS Publication 3, The Armed Forces’ Tax Guide.” This publication covers Service members’ tax benefits and responsibilities in detail.

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.
- Set up an active duty alert through any one of the three major credit bureaus to help protect against identity theft while you are deployed. An active duty alert requires creditors to take steps to verify the identity of the applicant before granting credit in that person’s name. It is effective for one year, unless you request for it to be removed sooner. If your deployment lasts longer than one year, you may place another alert on the report.

Additional notes: _____



MAJOR PURCHASES

- Take advantage of student loan programs offered to deployed Service members. You are legally entitled to have interest on certain student loans suspended for the duration of your service while deployed in a combat zone. Review the “Paying off Student Loans” handout for more information.

- Reserve members with federal student loans may qualify for an income-based payment reduction if they earn less as a result of their mobilization. Service in hostile-fire area may entitle you to loan cancellation.
- The SCRA can reduce the interest rate on student loans for Reserve members ordered to active duty. Speak with your loan servicer to meet documentation requirements.

Additional notes: _____



PLANNING FOR THE FUTURE

- Evaluate your life insurance needs before you deploy 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, then 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 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.

- Check the amount of your SGLI coverage, which is automatically \$400,000 unless another election is made.
- Review the beneficiaries of your Servicemembers' Group Life Insurance (SGLI). To update the beneficiaries of your SGLI, access the SGLI Online Enrollment System (SOES), by signing into the Milconnect site and searching the "Benefits" tab.
- Review your Record of Emergency Data (DD Form 93), or Page 2, by visiting the Navy Standard Integrated Personnel System (NSIPS) at <https://nsips.nmci.navy.mil/>.

- Carefully review any additional life insurance coverages for potential disqualifying events, like war clauses.
- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your circumstances.
- Update your auto insurance policies, and ensure coverage is appropriate for your current needs.
- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney and advance directive. If applicable, designate one or more guardians for your dependent(s).

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Determine eligibility for special pays and entitlements during your deployment. Also, account for potential changes to your expenses. The chart below outlines a few examples of potential income and expense changes to consider:

Potential Income Changes:*

- Family Separation Allowance (FSA): FSA may be payable at the rate of \$250 per month (pro-rated to \$8.33 per day for periods less than a month)
- Hostile Fire/Imminent Danger Pay: HF/IDP may be payable at the rate of \$225 per month (prorated to \$7.50 per day for periods less than a month)
- Career Sea Pay for enlisted members can range from a monthly rate of \$5 to \$750 depending on paygrade and years of sea duty.
- Combat Zone Tax Exclusion (CZTE)
- Promotion
- Reenlistment bonus
- Loss of spousal income
- Reserve members may find military pay differs significantly from their civilian pay

Potential Expense Changes:*

- Meal deduction in deployment locations
- Extra child care costs
- Extra pet boarding
- Maintenance and repair expenses
- Storage for vehicle or household goods

**Check your Leave and Earnings Statement (LES) to verify pay adjustments are accurately reflected.*

- Notify insurance providers of your deployment. Reserve members receive TRICARE coverage for themselves and their eligible dependents when reporting for active duty. Coverage may begin sooner if the orders have a delayed reporting date. Refer to the "TRICARE Overview" handout for more information about health insurance.
- Review the "Survivor Benefits Overview" handout to learn more about policies and programs available for survivors.



SAVING AND INVESTING

- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve.
- Understand the benefits of the DoD's Savings Deposit Program (SDP). The SDP offers an opportunity to increase returns on cash savings. The program guarantees an annual return of 10%, compounded quarterly, up to \$10,000 in savings. To learn more about the Savings Deposit Program visit the DFAS website at: www.dfas.mil/militarymembers/payentitlements/sdp.html.
Service members may make a lump-sum deposit up to the income earned (up to \$10,000), once they reach 30 days in theater to maximize the benefit.
- Review the "Thrift Savings Plan" handout for more information about investing options and contribution limits while deployed.
- Consider making Roth contributions to your TSP while deployed, so both contributions and growth can be tax-free for eligible withdrawals at retirement. Special note: Excess contributions made while deployed count toward the Annual Addition Limit (contributions above \$19,500 automatically go into the traditional TSP account). This limit also includes matching service contributions (automatic and matching contributions made, as part of the Blended Retirement System, starting in 2018).

Additional notes: _____

CFS/PFM Printed Name

Counselor Printed Name

Signature *Date*

Signature *Date*



Pre-Deployment Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Pre-Deployment* course is organized into six parts:

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

- 2. Financial Planning**
 - Planning for success
 - Spending plan
 - Special pay and entitlements
 - Taxes

- 3. Insurance and Legal Documents**
 - Life insurance needs exercise
 - Insurance overview
 - Legal documents
 - Survivor benefits

- 4. Saving and Investing**
 - Emergency funds
 - Savings Deposit Program (SDP)
 - Thrift Savings Plan (TSP)

- 5. Managing Debt and Credit**
 - Financial warning signs
 - Mission readiness
 - Protect your credit reputation
 - Servicemembers Civil Relief Act (SCRA)
 - Identity theft
 - Misleading consumer practices

- 5. Summary, Resources, and Conclusion**

TOTAL: 90 minutes

II. LEARNING OBJECTIVES

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



- TLO:** Identify warning signs of Service members at risk for financial problems.
ELOs: Recognize indicators of Service members who are financially at risk. Know how to approach at-risk members with concerns. Understand duty to warn and confidentiality concerns. Know resources for at-risk members.
- TLO:** Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.
ELOs: Be able to estimate the potential savings and expenses associated with deployment (storage, suspended utilities, etc.). Know ways to maximize savings and minimize spending while deployed. Be able to develop a budget for deployment.
- TLO:** Understand the fundamentals and management of debt and credit.
ELO: Understand how to access and use individual financial protection measures such as active-duty alerts and security freezes with credit reporting agencies.
- TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.
ELOs: Understand what taxes need to be considered when deployed. Understand residency and tax implications while deployed. Understand the importance of providing tax documentation to beneficiaries to handle during deployment. Update contact information pre- and post-deployment. Establish and prepare a point of contact with tax documentation and information during deployment. Understand how to work with an accountant for tax filing in absentia. Review tax implications of deployment pay.
- TLO:** Know military consumer protection law fundamentals, including the Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA).
ELO: Understand how the basic protections afforded under the SCRA can protect finances.
- TLO:** Recognize and understand how to protect yourself from misleading consumer practices and report complaints.
ELO: Recognize scams that target deployed Service members.
- TLO:** Recognize and identify steps to resolve identity theft.
ELOs: Know how to secure personal information for deployment. Know how to check and track personal information while deployed.
- TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.
ELOs: Know what types of additional life insurance are available. Understand how to evaluate estate to know if additional life insurance is necessary. Understand and be able to update insurance policies with additional points of contact for deployment. Understand the need to provide and make insurance documentation readily available to contacts and beneficiaries. Know how to review insurance information and policies and update post-deployment.
- TLO:** Understand the purpose and implications of estate planning (beneficiaries, wills, trusts, powers of attorney, etc.).
ELOs: Check and track information while deployed. Reevaluate and update survivor benefit elections. Ensure estate planning documents are up to date.
- TLO:** Examine the impact of special pay and entitlements.
ELO: Understand special pay for pre- and post-deployment such as combat pay, family separation, etc.

11. **TLO:** Discuss TRICARE options and costs.
ELO: Know how to update coverage under TRICARE. (Guard/Reserve members are eligible for TRICARE Prime when activated for 30 days or more.)
12. **TLO:** Discuss survivor and dependent benefits.
13. **TLO:** Recognize the importance of and be able to develop savings and an emergency fund.
ELOs: Understand the purpose and basic components of the Savings Deposit Program. Be able to calculate return of investment under the Savings Deposit Program. Understand withdrawal considerations.
14. **TLO:** Understand and be able to manage a Thrift Savings Plan (TSP) account.
ELOs: Understand Combat Zone Tax Exclusion (CZTE) eligibility and TSP implications.

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 needed:

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

Forms and Handouts:

- *Pre-Deployment* Counselee Checklist
- *Spending Plan Worksheet* Handout
- *Combat Zone Tax Exclusion* Handout
- *Estate Planning* Handout
- *TRICARE Overview* Handout
- *Survivor Benefits Overview* Handout
- *Thrift Savings Plan* Handout
- *Financial Warning Signs* Handout
- *Military Consumer Protection* Handout
- *Paying off Student Loans* Handout
- *Sources of Help for Military Consumers* Handout
- *Understand Credit* Handout

IV. CONTENT



SLIDE 1

Introduction

Welcome to the *Pre-Deployment* financial readiness course. This course will help prepare you for deployment and teach you how to take advantage of certain opportunities to improve your finances while deployed.

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 you will get over the next 90 minutes will help you make a SMART financial plan before, during, and after deployment. Having an effective financial plan will help you to remain focused on the mission and ease your return home.

Deployments can be stressful. Planning and preparing for the financial changes associated with a deployment can reduce stress on you and your family and help you make the most of the situation. We'll cover some of the common benefits and potential financial pitfalls of deployment so that you are more financially secure than you are now.



SLIDE 2

Agenda



INSTRUCTOR NOTE: *Pre-Deployment* Counselor Checklist

There are several financial tasks you need to be aware of for deployment. To help you prepare for these tasks, we will be discussing five key topics: **Financial Planning, Insurance and Legal Documents, Saving and Investing, Managing Debt and Credit, and Resources.**



SLIDE 3

Financial Planning

First, let's discuss some key financial planning topics specific to deployments. They are setting goals, developing a spending plan or budget, pays and entitlements, and income tax considerations. I'll also point you to free resources that can help you take action on what we discuss.



SLIDE 4

Setting Financial Goals



ACTIVITY: Have the class think and write down all the goals they want to accomplish. Give them 60 seconds to complete this.

Financial planning starts with setting SMART Goals for what you want to accomplish. You can use the extra money you receive while you're deployed to get started or accelerate your savings.

SMART Goals are Specific, Measurable, Actionable, Relevant and Time-bound.

INSTRUCTOR NOTE: Ask the audience how they would define each term or give them examples.

Let's start thinking about your own financial goals. I'm going to give you **60 seconds** to write down as many of your own personal financial goals as you can.

INSTRUCTOR NOTE: Tell your audience when to start and stop.

How many of you have more than one goal? It's important to set priorities since we only have so much money to work with. Next, I'd like you to number the goals by level of importance. Write a number "1" next to your highest-priority goal and work down from there.

INSTRUCTOR NOTE: Ask Service member to share their top goal.

How many of you also had that as one of your top goals? Help motivate each other to achieve it as you move forward. After you've prioritized your goals, figure out how much you need to save each month to achieve those goals. You should discuss your goals and their importance with your spouse, if you're married, to make sure you are aligned.



SLIDE 5

Spending Plan



INSTRUCTOR NOTE: *Spending Plan Worksheet* Handout

You need to put together a spending plan before deploying to allocate your money while you're gone. Remember it's important to make sure all of your bills are paid while you are deployed. Your spending plan should account for your bills and it's a good idea to set up automatic bill pay before you leave.

As you make decisions, focus on your prioritized SMART Goals.

You first need to understand how deployment will affect your cash flow before putting together a spending plan.

Reduced Expenses

You may find you have **reduced expenses** in addition to having increased income while deployed. Can you think of some living expenses that might decrease while you're gone?

INSTRUCTOR NOTE: Reduced expenses could include entertainment expenses, meals out, utilities, rent, gas or car insurance premiums (if car is placed in storage).

Increased Income

You may have **increased income**. You may qualify for the Combat Zone Tax Exclusion if you're deploying to what's been designated a combat zone or qualified hazardous duty area.

This is important because the income you receive while deployed there, may not be subject to federal income tax. However, you'll still have to pay Social Security and Medicare taxes. You may have more money left to work with if federal income taxes are not withheld from your pay.

We will go over Hostile Fire/Imminent Danger Pay and Family Separation Allowance in more detail on the next slide.

INSTRUCTOR NOTE:

- Go to [DFAS.mil](https://www.dfas.mil) and search "imminent danger pay areas" for a list of IDP areas.
- The current IDP pay amount can be found at militarypay.defense.gov; search "IDP."

As we discussed, your income taxes could be lower, and you may have lower debt payments, thanks to the Servicemembers Civil Relief Act (SCRA), which we will also discuss later.

INSTRUCTOR NOTE: Examples of new or increased expenses could include storage, child care, yard work, travel of dependents to be with other family members.

There's a good chance deployment will leave you with some excess cash flow that you can use to put yourself in a better financial position, even if some of your expenses increase.

Special Pay and Entitlements

Special Pays	Monthly
Hostile Fire Pay / Imminent Danger Pay (HFP/IDP)	\$225
Family Separation Allowance	\$250
Hostile Duty Pay (HDP)	\$100 - \$150
Per Diem	\$3.00 per day
Combat Zone Tax Exclusion	Up to \$8,500

SLIDE 6

Here's a recap of the special pay and entitlements you might receive during your deployment in addition to your normal pay and allowances. For more information visit DFAS.mil/militarymembers.

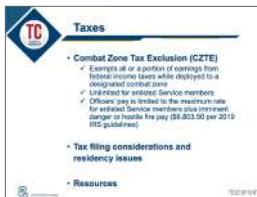
HFP/IDP – If your commander determines that you are in a location subject to enemy fire or explosions, you receive the higher of HFP or IDP. IDP is prorated daily, but Service members will not receive more than \$225. Service members cannot receive both IDP and HFP in the month. As of January 2020, the amount was \$225 a month.

FSA – If you are away from your family (spouse and children) for 30 continuous days, you may also qualify for Family Separation Allowance (FSA), which is \$250 a month, as of January 2020. You must submit “DD Form 1561” to qualify. If your spouse is a Service member, you both cannot receive FSA without special authorization.

HDP – You are eligible for HDP if you are deployed or TDY for more than 30 days in a specified location where living conditions are particularly arduous or substantially below those normally found within the continental United States. Once you exceed 30 days, you will receive payment retroactively in your next paycheck. If you receive HFP/IDP, HDP is generally limited to \$100 a month. There are three types of HDP, and if you qualify, you may receive a much higher amount of pay up to \$1,500.

Per diem – Typically, if you are serving in a combat zone or receive medical care for injuries in a combat zone, meals are provided at no charge. If on leave or TDY outside of the combat zone, you are not entitled to per diem. Although this is only a small amount, it can add up. You must file a travel claim to receive this entitlement.

CZTE – This will be covered in detail on the next slide.



SLIDE 7

Taxes



INSTRUCTOR NOTE: *Combat Zone Tax Exclusion* Handout

Your pay is generally excluded from federal income tax thanks to the Combat Zone Tax Exclusion.

None of the combat pay for enlisted Service members, Warrant Officers, or Commissioned Warrant Officers is included in your income for tax purposes.

However, the amount of pay you can exclude is limited if you are a commissioned officer. Please review the *CZTE* Handout for additional information.

You are considered to be serving in a combat zone if you are either assigned on official temporary duty to a combat zone or you qualify for hostile fire/imminent danger pay while in a combat zone. Service members are also covered if they leave a combat zone because of sickness, wounds or leave.

Note, Service members may not qualify if they are in a combat zone while on leave, personal convenience, or passing through to another destination.

You don't have to take any action to receive the CZTE. Your command is responsible for certifying your entitlement, reducing or eliminating your federal income tax withholding and excluding reportable income on your W-2.

INSTRUCTOR NOTE:

- A list of combat zones can be found by searching "Combat Zone Tax Exclusion" at DFAS.mil.
- Detailed CZTE information can be found in IRS Publication 3: The Armed Forces Tax Guide, which can be accessed online.

You may qualify for certain automatic extensions related to the filing and payment of your federal income taxes when you're stationed abroad or in a combat zone.

Where you claim your residency can have a big impact on your taxes. Some states have lower income taxes than others, and some states have no income tax at all. You'll generally be considered a resident of your state of legal residency, which is the state where you were living just before you joined the military.

You can establish legal residency in a state where you're stationed by demonstrating your intention to treat it as your permanent home. You can do that with steps like registering your vehicles and registering to vote there.

It may be a good idea to make sure someone you trust, like your spouse, has access to your tax records in case they need to handle your taxes while you're gone. A power of attorney may also be required.

Service members can consult IRS publication 3: The Armed Force's Tax Guide to review the detailed tax rules that apply. You can access it online by visiting [irs.gov](https://www.irs.gov) and searching "pub 3" (<https://www.irs.gov/forms-pubs/about-publication-3>).

Military OneSource provides Service members and their families with easy access to a suite of tax services, including access to easy-to-use tax preparation and e-filing software designed to address military-specific situations, and information and resources on a variety of tax-related topics. They're 100% free.



SLIDE 8

Insurance and Legal Documents

Now, let's move on to discuss a couple of very important topics before you deploy – insurance and legal documents.



SLIDE 9

LIFE Insurance Needs



ACTIVITY: Have the class calculate their life insurance needs. Give them 2 minutes to complete this activity.

If you have people who depend on your income or you want to leave a legacy, you'll want to make sure you have enough life insurance coverage so they don't face financial hardship if you're not around.

Here's a simple way to calculate your life insurance needs.

- **Liabilities** are debts you would like to pay off, such as a mortgage, student loans, car loans, or credit cards. Keep in mind, some federally funded student loans may be forgiven at death.
- Next, think about how much of your annual **income** you'd like to replace. Multiply that by the number of years your survivors will need the income. So, if you want to replace \$20,000 of income for 25 years, that's \$500,000. Note, this does not account for inflation.
- Then come up with how much to set aside for funeral and other **final expenses**. The National Funeral Directors Association estimates funeral costs range between \$6,000 and \$10,000. This can vary by location and should be added to any other expenses, like the administration of your estate.
- Finally, think about the money you'd like to provide for your survivors' **education** and other goals.

After you've added it all up, subtract SGLI and additional death benefit coverage you already have, plus assets and benefits available at your death. If you need more coverage, consider supplementing your SGLI and speak with a financial counselor at FFSC to develop a plan.



SLIDE 10

Insurance Overview



INSTRUCTOR NOTE: TRICARE Overview Handout

Servicemembers' Group Life Insurance (SGLI)

Be sure to review your SGLI beneficiaries often, especially before you deploy. You can now manage your Servicemembers' Group Life Insurance (SGLI) coverage using the SGLI Online Enrollment System (SOES). SOES allows you to change your life insurance coverage and beneficiary information at any time. To access SOES, sign into www.dmdc.osd.mil/milconnect and go to the Benefits Tab, Life Insurance SOES (SGLI Online Enrollment System).

You're automatically insured for \$400,000 unless you decline coverage or choose a smaller amount. TSGLI (also known as Servicemembers' Group Life Insurance Traumatic Injury Protection) provides short-term financial support to help eligible Service members recover from a severe injury. For eligibility requirements or more information visit VA.gov and search "TSGLI."

Private Life Insurance Considerations

If you're looking for additional life insurance, it may be difficult to get a policy if you already have orders to deploy. In that case, search for insurance companies that are willing to issue policies to Service members who are deploying. They may offer additional coverage or benefits beyond a death benefit.

There are two main types of life insurance: term insurance and permanent insurance. Think of term insurance as temporary coverage that lasts for a certain period of years. Permanent insurance is designed to last your entire life. Permanent insurance costs more but also builds cash value. Term gives you the most coverage for your dollar right now. You should consider what you need to protect and for how long. Term insurance is pure insurance and is typically less expensive than permanent insurance.

You need to watch out for policy exclusions or restrictions. These are situations when you may not be covered, like combat. Watch out for restrictions like war clauses, living overseas, serving as air crew or pilot, and others you may not have known about.

The insurance industry is highly regulated. Here are some things you may want to consider when choosing a life insurance company:

- Reputation
- Financial strength
- Licensed and regulated*
- Restrictions
- Benefits
- Cost and fees

*Before buying a life insurance policy, visit the state's insurance department and verify the company is licensed. Some companies or organizations offer death benefit products that do not carry the same guarantees as a fully licensed company.

Remember, it is not just the cost or premium you should look at.

Double-check the beneficiaries of your insurance policies and retirement accounts. Keep in mind, your will does not overrule your beneficiary designations. That means if an ex-spouse is listed as a life insurance or Thrift Savings Plan beneficiary and you die, your ex-spouse will receive the money regardless of what your will says.

Make a plan to keep up with premium payments while you're deployed. If you're paying by check, consider switching to an automatic draft from your checking account.

Remember, you're looking for life insurance, which generally covers any cause of death (other than a suicide within the first two years of the policy), so watch out for policies like "accidental death and dismemberment." They are not a replacement for life insurance.

TRICARE

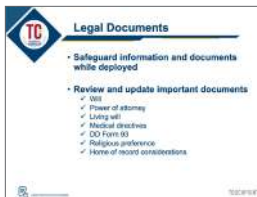
It is important to review your TRICARE coverage if you are married and have dependents enrolled. Eligibility begins on the date your orders are issued or 180 days before you report to active duty, whichever is later. It's important to review any civilian coverage you wish to keep while deployed if you are member of the Guard or Reserve. Bear in mind, you may not be covered if deployed to certain locations or injured in combat. Read your policy for any restrictions.

Reserve members should review any civilian coverage they wish to keep while deployed.

To be eligible for TRICARE, you must first be registered in the Defense Enrollment Eligibility Reporting System (DEERS). So, if you plan to marry or expect a child shortly before deployment, be sure to enroll them in DEERS. When you separate from active duty or demobilize, the Transitional Assistance Management Program (TAMP) can provide TRICARE benefits for another 180 days. This will be covered in a Post-Deployment training.

Auto, Homeowners, Renters, Dental

Review and update all your insurance policies to make sure you're protected. A key page to look for is the policy specifications page, which shows types and amounts of coverage. It is a good idea to have coverage, even if you put your car or personal property in storage. Review the storage facility insurance requirements and determine if the coverage — if offered — is adequate. Some auto insurance carriers offer a discount for stored vehicles. Just remember to make sure you are covered if you plan to drive while home on leave.



SLIDE 11

Legal Documents



INSTRUCTOR NOTE: *Estate Planning* Handout

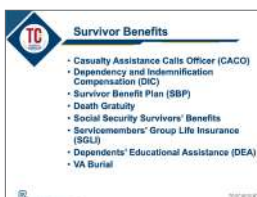
Estate planning means making preparations so that your wishes are carried out if you die or become incapacitated. Even if you think you don't have an "estate," it is important to make sure your plan is set to avoid issues for your survivors.

Estate planning can include things like:

- Writing a will
- Giving someone else a "power of attorney," which lets them handle transactions on your behalf
- Creating a "living will" that tells others your preferences for medical care
- Updating emergency contacts on DD Form 93 (technically not a "legal document")
- Expressing your religious preference
- Updating beneficiaries of life insurance policies, your TSP, and IRAs
- Designating a guardian and conservator for dependents
- Establishing trusts
- Making funeral arrangements

In your will, you'll indicate the state of your legal residence, which is typically your home of record. That state's laws will dictate how your will is handled in probate and which state inheritance or estate taxes might apply to your assets.

Your military legal service office can help you create and update these documents. After you create them, make sure to safeguard your documents and the right people in your life know where to find them.



SLIDE 12

Benefits for Survivors and Dependents



INSTRUCTOR NOTE: *Survivor Benefits Overview* Handout

As we covered earlier, you can have up to \$400,000 in SGLI coverage. Your beneficiaries may not have to pay income tax on the death benefit. Don't forget to double-check whom you've named as your beneficiary.

Casualty Assistance Calls Officer (CACO)

A Casualty Assistance Calls Officer (CACO) is the official representative who provides information, resources and assistance to the next of kin in the event of a casualty. Their full-time responsibility and mission are to assist families during a difficult time and ensure your family receive the benefits and entitlements due.

Dependency and Indemnity Compensation (DIC) is a tax-free benefit generally payable to a surviving spouse, child, or parent of a Service member who died while on active duty, active duty for training, or inactive duty training, or to survivors of veterans who died from their service-connected disabilities. As of January 2020, the basic monthly DIC rate is \$1,340.14 and the amount per child is \$332.

The Survivor Benefit Plan (SBP) is usually discussed at retirement. However, if you die on active duty your spouse and/or child may receive this benefit. Benefits are calculated as if you retired with 100% disability. Prior to 2020, if your spouse qualified for DIC, then the SBP is reduced dollar for dollar by the amount of the DIC. The National Deference Authorization Act for fiscal year 2020 changed this. After January 1, 2023 survivors will receive both SBP and DIC. For years 2021 and 2022, the offset will be reduced by roughly one third. SBP has countless rules and nuances which are not all covered in this training. Speak with a financial counselor or visit *DFAS.mil* and search “SBP” for more information.

Death Gratuity

The death gratuity program provides for an immediate, tax-free payment of \$100,000 to eligible survivors of Service members who die while on active duty. The death gratuity is the same regardless of the cause of death. It's normally paid within 72 hours of notification.

Be sure to review and update your beneficiary, which is done using a DD FORM 93 – Record of Emergency Data.

Your family may also receive **Social Security survivor benefits**, starting with a lump sum of \$255. Monthly Social Security payments are paid to spouses and children of the deceased Service members under the age of 18. These benefits are paid until the youngest child reaches age 18, in most cases and the spouse can apply for the widow benefit as early as age 60.

Dependent Educational Assistance (DEA) offers education and training opportunities to eligible dependents of Service members who die while on active duty or veterans who are disabled or die as a result of a service-connected condition. The benefit will pay up to 45 months.

As for funerals, most active-duty Service members are eligible to be laid to rest at Arlington National Cemetery or any other national cemetery that is open for internments. Survivors choosing to make private arrangements may be reimbursed for expenses, up to certain limits.



SLIDE 13



SLIDE 14



SLIDE 15

Saving and Investing

Ok, now let's move on to our next topic, saving and investing.

Emergency Funds

One of the best ways to avoid financial stress is to have a little money set aside for emergencies when they arise. Strive to save three to six months of living expenses in an easily accessible account to help cover financial emergencies.

If you do not currently have this much saved up or are trying to pay off high-interest rate debt, then start small and set a goal of \$1,000.

It's important to have even a small emergency fund in these situations, so you do not find yourself back in debt when an emergency happens.

The best way to build an emergency fund is to make it an easy process and automate your savings. Determine the amount you can set aside each paycheck and setup an automatic transfer or allotment to begin saving.

Savings Deposit Program (SDP)

The Savings Deposit Program (SDP) offers a great opportunity to earn a high guaranteed return on cash savings when you're serving in a designated combat zone. You're eligible if you're receiving Hostile Fire Pay and deployed for:

- At least 30 consecutive days, OR
- 1 day in each of 3 consecutive months

You can deposit up to \$10,000 and earn a guaranteed 10% interest, compounded quarterly. The money will continue to accrue interest until 90 days after you leave the combat zone.

You can make deposits via allotment, cash, check or money order. You could plan ahead and have \$10,000 ready to deposit all at once on the first day you're eligible to maximize your interest.

For example, if you've been in country for 30 days and only had total entitlements of \$4,000, you can only deposit \$4,000 at the 30-day mark. You can later top off the SDP to the full \$10,000 throughout the course of your deployment.

Your account will be closed 120 days after leaving the combat zone, and all funds returned to you via direct deposit. Before that, once your account reaches a \$10,000 balance, you may withdraw funds over \$10,000 on a quarterly basis. Emergency withdrawals must be approved by your commanding officer, who must determine that it's necessary for the health and welfare of you or your family.

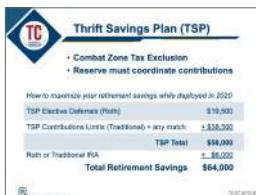


SLIDE 16

Calculate Your Earnings

Here's how to get a rough idea of how much interest you could earn with this program. Assume a certain average balance for one quarter of the year. Then multiply that amount by .025 (.25 = 10% divided by 4 quarters). The result is approximately how much interest you would earn without putting your money at financial risk.

You can learn more by visiting the *DFAS.mil* and searching "Savings Deposit Program."



SLIDE 17

Thrift Savings Plan (TSP)



INSTRUCTOR NOTE: *Thrift Savings Plan* Handout

Let's look at how a deployment to a combat zone can be a major opportunity to save more for retirement.

You have a huge opportunity for tax-advantaged savings if you qualify for the Combat Zone Tax Exclusion (CZTE). Any Roth contributions to the TSP and/or a Roth IRA will be made with income that has **not** been taxed and any earnings **will not** be taxed at withdrawal, if you meet certain requirements.

If you make Traditional TSP contributions, they will also be tax-free, but the earnings are taxed when you withdraw from your account. In 2020, you can contribute an additional \$6,500 to TSP and \$1,000 to an Individual Retirement Account (IRA) if you are age 50 and over.

Reserve members must be careful not to exceed the IRS limits:

1. No more than \$19,500 (for tax year 2020) into a TSP or civilian retirement plan, like a 401(k)
2. No more than \$58,000 (for tax year 2021) between your contributions and any match

The IRS rules for retirement contributions can be confusing, so you will need to be careful. In a nutshell, here is how you can maximize your retirement savings while deployed:

1. Contribute \$19,500 to a Roth 401(k).
2. Make Traditional contributions, up to \$38,500. If you are in BRS, any matching contributions from the military are included in this amount.

As you can see, your contributions plus any match cannot exceed \$58,000, unless you turn 50 years old by the end of the year. If so, you can add another \$6,500 for a total of \$64,000.

But wait, there's more! You can still contribute to your own IRA separate from your TSP. Depending on your Adjusted Gross Income and tax filing status, you may not be able to contribute to a Roth. Nonetheless, you can contribute \$6,000 and another \$1,000 if you reach age 50 by the end of the year.

As you can see, you can sock away quite a bit of money for your retirement. Just remember, withdrawing money from TSP for other goals is ill advised. The money will be taxed upon withdrawal and there may be a 10% penalty if taken out too early.



SLIDE 18

Managing Debt and Credit

Whether you have a lot of debt, a little debt, or no debt at all, how you manage debt and understand credit can have a profound impact on your ability to build wealth. So, let's take a few minutes to understand both of these topics, starting with how to know if you are struggling with debt and resources to help you recover.



SLIDE 19

Financial Warning Signs



INSTRUCTOR NOTE: *Financial Warning Signs Handout*

Deploying with confidence is harder if you're struggling financially. Take a look at these possible indicators of financial trouble. Consider whether any of them apply to you, your fellow Service members, or those you lead.

NMCRS Authorization. If you are married, it is recommended that you either provide your spouse with a special POA or sign an NMCRS authorization form in order for them to obtain financial assistance from the NMCRS for an emergency.

They can offer financial assistance, grants, and zero interest loans to Sailors and Marines who are experiencing financial hardships.



SLIDE 20

Mission Readiness

Your own financial readiness leads to mission readiness, that's why it is so important.



INSTRUCTOR NOTE: Give Service members a chance to answer. Help them see how the values of **Loyalty, Duty, Respect, Selfless Service, Honor and Integrity**, and **Personal Courage** connect with the responsibility to plan for the future, fulfill financial commitments, and pay debts when due.

You have a duty to warn your chain of command if you find yourself in financial trouble, before it gets worse. They can't help you with a problem if they don't know you have one. If you're headed into trouble, inform the chain of command and seek help. NMCRS, Military OneSource, and your local Family Support Center offer a lot of resources.

Financial problems don't just affect your personal life. They can also have major consequences for your career. This can be especially true if you fall behind in paying your financial obligations — whether that's a credit card, car loan, utilities or rent. You could find yourself facing non-judicial punishment, a revoked security clearance, missing out on a promotion or a duty assignment, or even discharge from the military altogether.

If you're in a leadership role and suspect one of your Service members is in financial trouble, have a private one-on-one discussion. Reassure them that you have a duty to keep their problems confidential.

Be direct and understanding of the Service member's situation. Let them know you're concerned about their well-being and ask if the Service member is having financial problems. Help connect them to the resources that can help them get their financial house back in order. You may even want to refer your Service member to the financial counselors at NMCRS.



SLIDE 21

Military Consumer Protection



INSTRUCTOR NOTE: *Understand Credit, Paying off Student Loans* Handouts

Now, let's talk about credit management – loans, credit cards and other debts.

Notify your lenders about your deployment. To avoid accidentally missing a payment, arrange for them to be automatically drafted from your bank account.

Consider placing an active-duty alert and security freeze on your credit report to protect your credit while deployed. Doing this can make it harder for criminals to open new accounts in your name, by removing you from prescreened credit offers and requiring extra verification steps in the credit approval process. This can be done by contacting one of the credit agencies.

These alerts last one year, unless you ask for removal sooner. You can place another alert on your report if your deployment lasts longer than a year.

To place an active-duty alert, or to have it removed, call any of the three nationwide consumer credit bureaus: Equifax, Experian and TransUnion.

INSTRUCTOR NOTE: **Equifax:** 800-685-1111 • **Experian:** 888-EXPERIAN • **TransUnion:** 888-909-8872

While you're gone, keep an eye on your accounts and look for indications of identity theft. At *annualcreditreport.com*, you can request a free copy of your credit report from each of the three major credit bureaus. Your credit report shows all the current credit that's open in your name, as well as your history.

Everyone, including civilians, are entitled to a free report once a year from each bureau. If you think you're a victim of identity theft, you can find guidance for what to do at *identitytheft.gov*.

Deployed Service members may also be eligible for free credit monitoring from each of the reporting agencies. These services warn you about new activity on your credit report. If you have questions about credit, talk to a financial counselor on your installation.

It's important to know your rights. In a moment, we'll dive in deep on how you're protected by the **Servicemembers Civil Relief Act (SCRA)**.

While you're on active duty the **Military Lending Act (MLA)** prohibits charging you an interest rate higher than 36% on most consumer loans and provides other protections.

Take advantage of student loan programs offered to deployed Service members. You are legally entitled to have interest on certain student loans suspended for the duration of your service while deployed in a combat zone.

Reserve members with federal student loans may qualify for an income-based payment reduction if they earn less as a result of their mobilization. Service in a hostile-fire area may entitle you to loan cancellation.

The SCRA can reduce the interest rate on student loans for Reserve members ordered to active duty.

If you need help asserting your rights with your lenders, or have questions about your legal obligations, get help from the Legal Service Office.



SLIDE 22

Identify Theft

Identity theft occurs when someone steals an individual's personal information and uses it without his or her permission to open fraudulent accounts and make unauthorized purchases.

In the course of your military duty, it's important to follow the Navy's personally identifiable information regulations, which are found in SECNAVINST 5211.5F, The Navy Privacy Program.

In managing your personal affairs, there are many ways to defend against identity theft:

- Safeguard your wallet, checkbooks, ID cards, credit cards and your mail
- Most information used in ID theft comes from the mail. Sign up for electronic delivery of your banking, credit and other financial statements
- Opt out of prescreened credit offers. You can do this by visiting *optoutprescreen.com*
- Opt out of marketing phone calls by visiting *donotcall.gov*
- Periodically review your credit report
- Ensure your computer's security settings are up to date
- Avoid unsecure Wi-Fi networks

We have already talked about placing active-duty alerts on your credit report. They are easy to implement and can protect your credit.

INSTRUCTOR NOTE: Equifax: 800-685-1111 • Experian: 888-EXPERIAN • TransUnion: 888-909-8872



SLIDE 23

Misleading Consumer Practices



INSTRUCTOR NOTE: *Sources of Help for Military Consumers* Handout

Watch out for people trying to scam you out of your hard-earned money. From aggressive salespeople to criminals, there are many people who would love to take your money off your hands. Avoid offers to join multilevel marketing organizations, and steer away from somebody offering you a way to get rich quick. Remember, if it sounds too good to be true, it probably is.

Be sure to protect yourself before giving your money to anyone else, even a legitimate business. First, understand the difference between needs, wants and wishes. Your family may need a vehicle; you may want a brand-new car; and you may wish for that \$100,000 foreign sports car. Stick to your needs when spending money and especially when borrowing it.

Do your research and comparison shop before spending or investing money. Give yourself extra time to sleep on it if you're unsure. Don't give in to pressure.

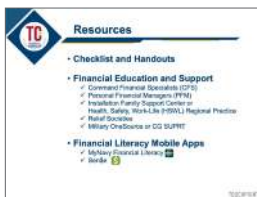
Report it if you feel you've been misled or cheated. Contact your Legal Service Office if you're not sure where to direct your complaint.



SLIDE 24



SLIDE 25



SLIDE 26



SLIDE 27

Summary and Resources

Now let's take a few minutes to recap what we've talked about today.

Summary

INSTRUCTOR NOTE: Ask a few participants to explain their key takeaway from today's course.

Let's recap what you learned.

- Financial Planning
- Insurance and Legal Documents
- Saving and Investing
- Manage Debt and Credit
- Resources

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 MyNavv Financial Literacy mobile app for assistance with a variety of personal finance issues.

Thank You!

Thank you for participating, and I wish you the very best on your deployment and a safe return home.

CFS Preparation: Distribute and discuss the Pre-Deployment 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 we will be having a conversation about preparing your finances for a deployment. The goal of our discussion is to help alleviate financial stress while you are deployed by creating a plan for your finances before you leave.

Deployments can cause disruption to your finances, but they can also present some opportunities, if you are prepared to take advantage of them. Think about how your bills will be paid? How will you correspond with financial institutions? How will you ensure you have access to funds? How much money will you be able to save? Will you be able to pay off all of your debt? All of these are valid questions to be asking. As we go through the videos pay attention for key takeaways that you can implement as you prepare your finances for your upcoming deployment.

Play Videos 1 & 2



1. Course Overview



2. Financial Planning for Deployment

Discussion Question

1. What do you feel are important steps to take prior to your deployment to set you and your family up for financial success?

CFS Talking Points: A good understanding of what income and expenses will be while away. A budget plan and communication about how and when money will be spent. Having separate spending accounts from financial obligations to ensure money is available to pay necessary expenses. Automate payments. Using the time to pay off debts if income is higher and expenses lower. Set savings goals and milestones.

PART 2

CFS Intro: Up next we will see a few “good to know” items. This list should get you thinking about what you can do to better prepare. Take note of the relevant information to you as you begin to plan out the deployment phase of your finances.

Play Videos 3 & 4



3. 11 Things to Know Before You Go

Discussion Question

1. What are some things to keep in mind with online accounts?

CFS Talking Points: Make sure your bank isn't charging you fees for online services, if going overseas check your financial institution's policies on using your debit/credit card



4. Managing Payments While Deployed

internationally, as some charge transaction fees. Automating bills is a good idea, however you will still need to monitor your accounts to make sure the payment goes through by the due date and that there are sufficient funds in your account(s) to cover the costs. Being deployed does not excuse you from paying financial obligations.

Play Video 5



5. SCRA & MLA

Discussion Question

1. You have most likely heard the acronyms MLA and SCRA mentioned before. What aspects of these protections can you see as being helpful in your situation?

CFS Talking Points: Military Lending Act (MLA) — Protection from high interest rates and being taken advantage of financially (predatory lending). Service member Civil Relief Act (SCRA) — Cancel certain contracts and reduction of interest rates to 6% on debts incurred prior to joining.

Knowledge Check

True/False: Relief provided by the Servicemember’s Civil Relief Act happens automatically.

Answer: False

PART 3

CFS Intro: Let’s review a few other financial issues that can be affected by your deployment.

Play Video 6

Discussion Question



6. Deployment and Student Loans

1. What are steps to take in regards to your student loans that can benefit you while deployed?

CFS Talking Points: Understanding who you owe and how much, maintaining current contact information to your student loan servicer, notify your loan servicer of your deployment, and provide the documents that they request in a timely manner.

Knowledge Check

Question: Where can you find information regarding your federal student loans?

Answer: Directly from loan servicer, National Student Loan Database

Play Video 7



7. Combat Zone
Tax Exclusion

Knowledge Check

Question: Under the Combat Zone Tax Exclusion your pay may be excluded from income for what type of taxes?

Answer: Federal

Play Video 8



8. Active Duty
Alerts

Discussion Question

1. Have you or do you know anyone who has been a victim of identity theft? What are ways you can protect yourself from becoming a victim of identity theft?

CFS Talking Points: Have one or two students share their experience/story. Set an active duty alert or security freeze on your credit report. Monitor your credit regularly to check for accuracy.

Knowledge Check

True/False: You need to contact all three credit reporting agencies to set up an active duty alert.

Answer: False, you only need to contact one. It's still a good practice to follow up and ensure your alert went through.

True/False: You need to contact all three credit reporting agencies to place a security freeze.

Answer: True

PART 4

Play Video 9



9. Savings
and Financial
Emergencies

Discussion Question

1. Is having more disposable income something you are looking forward to in deployment?

CFS Talking Points: Of course! Let students discuss the excitement of having additional income. Shift the discussion to plans for what can be done with additional income like establishing an emergency fund. Talk with students about the dollar amount they will keep in their emergency savings. Explain that this can differ from person to person depending on their income, expenses, and family status. Where will they keep their emergency fund? Should this be done with their current financial institution or possibly a higher yielding savings account?

Play Video 10



10. Savings Deposit Program

Knowledge Check

Question: What is the rate of return you will earn through the Savings Deposit Program?

Answer: 10%

Question: Will interest you earn through the Savings Deposit Program be tax-exempt income?

Answer: No, interest earned on your tax-exempt contributions will be taxed when returning to a taxable location after being in a Combat Zone Tax Exclusion (CZTE).

Play Video 11



11. TSP Contributions During Deployment

Discussion Question

1. What are specific ways that contributing to your TSP account while deployed can be beneficial to you?

CFS Talking Points: You may have additional income to contribute. The amount you can contribute while in a CZTE is higher. Your income may be tax exempt, and you may not have to pay taxes on contributions.

Knowledge Check

True/False: You can only contribute to TSP from base pay.

Answer: False. You can contribute from other pays as well. Examples include: special, incentive, and bonus pay. However, if under BRS, the match is on base pay contributions up to 5%.

PART 5

Play Video 12



12. Life Insurance, SGLI and Other Death Benefits

Discussion Question

When it comes to Life Insurance what should the coverage amount be based on?

CFS Talking Points:

- Liabilities — debts to be paid off
- Income — need to provide
- Final expenses
- Education and other goals to be funded

CFS Intro: Check to make sure before you deploy that your life insurance is sufficient and that your beneficiaries are up to date. Legal services can assist with questions regarding beneficiaries. Speaking of legal, let's take a look at some legal documents that may need your attention before you deploy.

Play Video 13



13. Legal Documents for Deployment

Knowledge Check

Question: What does the legal document, titled *a will*, do?

Answer: Coordinates the distribution of your assets at your death and can appoint a guardian for children.

Question: What are the different types of Power of Attorney that may be necessary for you to have while on deployment?

Answer:

- General POA — gives power and authority to act on your behalf for a wide range of topics.
- Specific POA — grants power for specific types of transactions.
- Medical POA — provides child's caretaker with the authority to handle medical needs of the child(ren).

Play Video 14



14. Insurance (Medical, Auto, Property)

Discussion Question

1. Are there any areas of insurance you are considering for review after watching this video?

CFS Talking Points:

- Medical — check TRICARE eligibility
- Auto — check for storage rates if not being driving, consider not canceling due to high cost to reinstate
- Property — review coverage

Play Video 15



15. Final Wrap-Up

CFS Conclusion: This concludes training today. Review your notes and create a plan to address your financial concerns and opportunities before you deploy. As you approach the day you leave, things may get hectic and stressful. Now is the time to think through your financial plan and adjust as necessary. As always, if you need financial assistance in any of the topics today, speak with me or a Financial Counselor at your family center.



Pre-Deployment Presentation





1

A slide titled "Agenda" from the Touchpoint Curriculum. The slide features a blue diamond on the left containing the "TC TOUCHPOINT CURRICULUM" logo. The title "Agenda" is followed by a horizontal line. Below the line is a bulleted list of five topics. In the bottom left corner, there is a small icon of a document with a hand pointing to it, and the text "Pre-Deployment Checklist Available". In the bottom right corner, the word "TOUCHPOINT" is written in all caps.

- **Financial Planning**
- **Insurance and Legal Documents**
- **Saving and Investing**
- **Managing Debt and Credit**
- **Resources**

2




3

Setting Financial Goals

- **What are your financial goals during deployment?**
- **Your financial goals should be SMART:**
 - ✓ **S**pecific
 - ✓ **M**easurable
 - ✓ **A**chievable
 - ✓ **R**elevant
 - ✓ **T**ime-bound
- **Prioritize your goals and determine how much you need to save monthly to meet them**

4



Spending Plan


- Create and update your spending plan
- Account for changes to income, taxes and expenses
- Set up automatic bill pay

Increased Income

- ✓ Combat Zone Tax Exclusion (CZTE)
- ✓ Hostile Fire / Imminent Danger Pay (HFP / IDP)
- ✓ Family Separation Allowance (FSA)

Reduced Expenses

- ✓ Living expenses
- ✓ Income tax
- ✓ Lower debt payments



Spending Plan Worksheet Handout Available

TOUCHPOINT

5




Special Pay and Entitlements

Special Pays	Monthly
Hostile Fire Pay / Imminent Danger Pay (HFP/IDP)	\$225
Family Separation Allowance	\$250
Hardship Duty Pay (HDP)	\$50 – \$150
Per Diem	\$3.50 per day
Combat Zone Tax Exclusion	Up to \$8,586

Source: <https://militarypay.defense.gov/Pay/Special-and-Incentive-Pays/>
<https://militarypay.defense.gov/Pay/Tax-Information/CZTE/>


TOUCHPOINT

6



Taxes

- **Combat Zone Tax Exclusion (CZTE)**
 - ✓ Exempts all or a portion of earnings from federal income taxes while deployed to a designated combat zone
 - ✓ Unlimited for enlisted Service members
 - ✓ Officers' pay is limited to the maximum rate for enlisted Service members plus imminent danger or hostile fire pay (\$8,803.50 per 2019 IRS guidelines)
- **Tax filing considerations and residency issues**
- **Resources**



CZTE Handout Available

TOUCHPOINT

7



Insurance and Legal Documents

TOUCHPOINT

8




LIFE Insurance Needs

Liabilities (debts and obligations)		_____
Income (amount X number of years needed)	+	_____
Final expenses	+	_____
Education and other goals	+	_____
<i>Subtract current coverage and assets</i>	-	_____
Your Total Need		<div style="border: 1px solid black; width: 100px; height: 25px; margin: 0 auto;"></div>



TOUCHPOINT

9




Insurance Overview

- **Life Insurance**
 - ✓ SGLI
 - ✓ Private Policy (Term / Permanent)
 - ✓ Coverage
 - ✓ Beneficiaries
 - ✓ War clause and other restrictions

- **TRICARE**


- **Auto, Homeowners, Renters, Dental**
 - ✓ Review and update your current insurance policies



TRICARE Overview Handout Available


TOUCHPOINT

10



Legal Documents


- **Safeguard information and documents while deployed**
- **Review and update important documents**
 - ✓ Will
 - ✓ Power of attorney
 - ✓ Living will
 - ✓ Medical directives
 - ✓ DD Form 93
 - ✓ Religious preference
 - ✓ Home of record considerations



Estate Planning Handout Available


TOUCHPOINT

11



Survivor Benefits

- **Casualty Assistance Calls Officer (CACO)**
- **Dependency and Indemnification Compensation (DIC)**
- **Survivor Benefit Plan (SBP)**
- **Death Gratuity**
- **Social Security Survivors' Benefits**
- **Servicemembers' Group Life Insurance (SGLI)**
- **Dependents' Educational Assistance (DEA)**
- **VA Burial**



Survivor Benefits Overview Handout Available

TOUCHPOINT

12



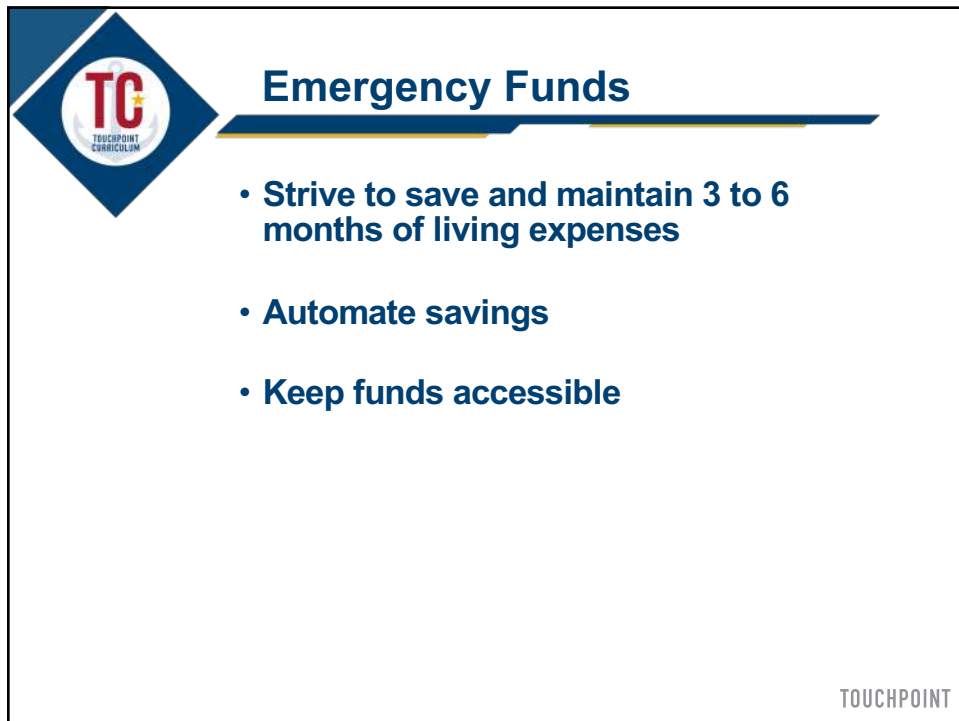
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CURRICULUM

Saving and Investing

TOUCHPOINT

This slide features a white background with a blue triangle on the left side containing the 'TC TOUCHPOINT CURRICULUM' logo. A red triangle is in the top right corner. The title 'Saving and Investing' is centered in blue. The word 'TOUCHPOINT' is in the bottom right corner.

13



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Emergency Funds

- Strive to save and maintain 3 to 6 months of living expenses
- Automate savings
- Keep funds accessible

TOUCHPOINT

This slide features a white background with a blue diamond on the left side containing the 'TC TOUCHPOINT CURRICULUM' logo. The title 'Emergency Funds' is centered in blue with a horizontal line below it. A bulleted list of three items is on the right. The word 'TOUCHPOINT' is in the bottom right corner.

14



Savings Deposit Program (SDP)

- Deployed to designated combat zone
- Deposit up to \$10,000
- Earn 10% annually
- Withdrawals
 - ✓ Emergency
 - ✓ Automatic direct deposit after 120 days
 - ✓ Contact DFAS

TOUCHPOINT

15



Calculate Your Earnings

Savings Deposit Program (SDP)

- Estimate your earnings
 - ✓ Multiply the average quarterly balance by .025 (10% ÷ 4)
- Example
 - ✓ If your average quarterly balance is \$3,000

$$\$3,000 \times .025 = \$75$$

You earned \$75 that quarter

TOUCHPOINT

16




Thrift Savings Plan (TSP)

- **Combat Zone Tax Exclusion**
- **Reserve must coordinate contributions**

How to maximize your retirement savings while deployed in 2020

TSP Elective Deferrals (Roth)	\$19,500
TSP Contributions Limits (Traditional) + any match	<u>+ \$38,500</u>
TSP Total	\$58,000
Roth or Traditional IRA	<u>+ \$6,000</u>
Total Retirement Savings	\$64,000


 Thrift Savings Plan Handout Available

TOUCHPOINT




Managing Debt and Credit

TOUCHPOINT




Financial Warning Signs

- Living paycheck to paycheck
- Unable to pay bills
- Bounced checks
- Expensive purchases
- Spouse lost job
- Divorce / separation
- No savings
- Preoccupied and being distant



Navy-Marine Corps
Relief Society Authorization



Financial Warning Signs Handout Available

TOUCHPOINT

19



Mission Readiness

- **Military Values**
 - ✓ Duty to warn
- **Consequences of financial problems**
 - ✓ Non-Judicial Punishment
 - ✓ Administrative Discharge
 - ✓ Revoke security clearance
 - ✓ Lose promotion or duty assignment
- **Leader's responsibility**
 - ✓ Confidentiality
 - ✓ Be direct, but understanding
 - ✓ Refer for assistance

TOUCHPOINT

20



Military Consumer Protections

- **Active-duty alert and security freeze**
- **Review credit report**
 - ✓ Speak to a Financial Counselor or your installation for credit questions
 - ✓ Visit www.annualcreditreport.com
 - ✓ Service members may request credit monitoring from each of the reporting agencies at no charge
- **Know your rights**
 - ✓ Servicemembers Civil Relief Act (SCRA)
 - ✓ Military Lending Act (MLA)
 - ✓ Student Loans
 - ✓ Legal Service Office



Military Consumer Protection, Understanding Credit and Paying off Student Loans Handouts Available

TOUCHPOINT

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Identity Theft

- **Secure your information**
 - ✓ Follow Personally Identifiable Information regulations and procedures
 - ✓ Opt out and do not call
- **While deployed**
 - ✓ Active-duty alert or credit freeze
- **Additional information**
 - ✓ www.identitytheft.gov
 - ✓ www.consumer.gov

TOUCHPOINT

22



Misleading Consumer Practices

- **Recognize scams**
 - ✓ Multilevel marketing / pyramid scheme
 - ✓ Get rich quick
 - ✓ Too good to be true
- **Protect yourself**
 - ✓ Research
 - ✓ Comparison shop
 - ✓ Sleep on it
- **Report a complaint**



Sources of Help for Military Consumers Handout Available

TOUCHPOINT


23



Summary and Resources

TOUCHPOINT

24



Summary


Best wishes for a safe and financially successful deployment!

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



- ✓ Financial Planning
- ✓ Insurance and Legal Documents
- ✓ Saving and Investing
- ✓ Managing Debt and Credit
- ✓ Resources

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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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 12B

Post-Deployment





Post-Deployment Student Manual



I. INTRODUCTION

Coming home after deployment can be an exciting time and bring with it a number of changes. Service members may be eager to spend time with their families and friends, but it is important not to overlook certain financial tasks that need to be completed. Help them take advantage of the extra money and resources that are available to them before and after deployment. After completing this chapter, you will have the tools and resources to assist Service members and their families put their finances in order, address their specific needs following a deployment, and reduce stress.

II. LEARNING OBJECTIVES

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

- 1. TLO:** Identify warning signs of Service members at risk for financial problems.
ELOs: Recognize indicators of Service members who are financially at risk. Know how to approach at-risk members with concerns. Understand duty to warn and confidentiality concerns. Know resources for at-risk members.
- 2. TLO:** Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.
ELOs: Be able to estimate the potential savings and expenses associated with deployment (storage, suspended utilities, etc.). Know ways to maximize savings and minimize spending while deployed. Be able to develop a budget for deployment.
- 3. TLO:** Understand the fundamentals and management of debt and credit.
ELO: Understand how to access and use individual financial protection measures such as active-duty alerts and security freezes with credit reporting agencies.
- 4. TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.
ELOs: Understand what taxes need to be considered when deployed. Understand residency and tax implications while deployed. Understand the importance of providing tax documentation to beneficiaries to handle during deployment. Update contact information pre- and post-deployment. Establish and prepare a point of contact with tax documentation and information during deployment. Understand how to work with an accountant for tax filing in absentia. Review tax implications of deployment pay.
- 5. TLO:** Know military consumer protection law fundamentals, including the Servicemembers Credit Relief Act (SCRA) and Military Lending Act (MLA).
ELO: Understand how the basic protections afforded under the SCRA can protect finances.
- 6. TLO:** Recognize and understand how to protect yourself from misleading consumer practices and report complaints.
ELO: Recognize scams that target deployed Service members.
- 7. TLO:** Recognize and identify steps to resolve identity theft.
ELOs: Know how to secure personal information for deployment. Know how to check and track personal information while deployed.

- 8.** **TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.
ELOs: Know what types of additional life insurance are available. Understand how to evaluate estate to know if additional life insurance is necessary. Understand and be able to update insurance policies with additional points of contact for deployment. Understand the need to provide and make insurance documentation readily available to contacts and beneficiaries. Know how to review insurance information and policies and update post-deployment.
- 9.** **TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, powers of attorney, etc.).
ELOs: Check and track information while deployed. Reevaluate and update survivor benefit elections. Ensure estate planning documents are up to date.
- 10.** **TLO:** Examine the impact of special pay and entitlements.
ELO: Understand special pay for pre- and post-deployment such as combat pay, family separation, etc.
- 11.** **TLO:** Discuss TRICARE options and costs.
ELOs: Know how to update coverage under TRICARE. (Guard/Reserve members are eligible for TRICARE Prime when activated for 30 days or more.) Understand services pertaining to post-deployment medical, dental, and mental health benefits to eligible individuals.
- 12.** **TLO:** Discuss survivor and dependent benefits.
- 13.** **TLO:** Recognize the importance of and be able to develop savings and an emergency fund.
ELOs: Understand the purpose and basic components of the Savings Deposit Program. Be able to calculate return of investment under Savings Deposit Program. Understand withdrawal considerations.
- 14.** **TLO:** Understand and be able to manage a Thrift Savings Plan (TSP) account.
ELOs: Understand Combat Zone Tax Exclusion (CZTE) eligibility and TSP implications.

III. REFERENCES

- Office of Financial Readiness (FINRED) — <https://finred.usalearning.gov>
- Military Compensation Policy — <https://militarypay.defense.gov>
<https://militarypay.defense.gov/Pay>
<https://militarypay.defense.gov/Benefits.aspx>
<https://militarypay.defense.gov/Benefits/Thrift-Savings-Plan>
<https://militarypay.defense.gov/Pay/Tax-Information/CZTE>
<https://militarypay.defense.gov/Benefits/Savings-Deposit-Program>
- Thrift Savings Plan (TSP) — <https://www.tsp.gov>,
<https://www.tsp.gov/PlanParticipation/AccountManagement/beneficiaries.html>
<https://www.tsp.gov/planning-for-life-events/>
- Consumer Financial Protection Bureau (CFPB) — <https://www.consumerfinance.gov>
<https://www.consumerfinance.gov/consumer-tools/military-financial-lifecycle>
- U.S. Armed Forces Legal Assistance — <https://legalassistance.law.af.mil>
- Internal Revenue Service (IRS) —
<https://www.irs.gov>, <https://www.irs.gov/newsroom/combat-zones>,
<https://www.irs.gov/filing/individual/update-my-information>
- Free annual credit report — <https://www.annualcreditreport.com>
- Federal Trade Commission (FTC) — <https://www.ftc.gov>
- Federal Trade Commission (FTC) Consumer Information — <https://www.consumer.ftc.gov>,
<https://www.IdentityTheft.gov>
- FTC Complaint Assist — <https://www.ftccomplaintassistant.gov>
- Department of Justice —
<https://www.justice.gov/servicemembers/servicemembers-civil-relief-act-scra>
- 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>
- Servicemembers' Group Life Insurance (SGLI) —
<https://www.va.gov/life-insurance/options-eligibility/sgli>
- Veterans' Group Life Insurance (VGLI) — <https://www.va.gov/life-insurance/options-eligibility/vgli>
- Department of Veterans Affairs (VA) — <https://www.va.gov>, <https://www.benefits.va.gov>
- Defense Finance and Accounting Service (DFAS) —
<https://www.dfas.mil>, <https://www.dfas.mil/militarymembers/payentitlements/sdp.html>
- Defense Finance and Accounting Service (DFAS)/Survivor Benefit Plan (SBP) —
<https://www.dfas.mil/retiredmilitary/provide/sbp.html>
- TRICARE — <https://www.tricare.mil>, <https://www.tricare.mil/Plans/Eligibility/MedicareEligibile>
- Defense Enrollment Eligibility Reporting System (DEERS) — <https://www.tricare.mil/deers>
- U.S. Securities and Exchange Commission (SEC) — <https://www.investor.gov>
- Consumer Financial Protection Bureau (CFPB) — <https://www.consumerfinance.gov>
- Federal Deposit Insurance Corporation (FDIC) — <https://www.fdic.gov>
- National Credit Union Administration (NCUA) — <https://www.ncua.gov>
- Treasury Direct — <https://www.savingsbonds.gov>
- USA.gov — <https://www.usa.gov/saving-investing>
- Compound Interest Calculator —
<https://www.investor.gov/additional-resources/free-financial-planning-tools/compound-interest-calculator>
- Federal Emergency Management Agency (FEMA) —
<https://www.fema.gov/national-flood-insurance-program>

- Medicaid — <https://www.medicaid.gov>
- Medicare — <https://www.medicare.gov>
- HealthCare.gov — <https://www.healthcare.gov/have-job-based-coverage/flexible-spending-accounts>
- Military Health System — <https://health.mil>
- milConnect — <https://milconnect.dmdc.osd.mil/milconnect>
- Military Health System — <https://health.mil>
- milSuite — <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
LES	Leave and Earning Statement	This monthly single-page report details members' eligible pay and allowances, payroll deductions and leave balances.
DEERS	Defense Enrollment Eligibility Reporting System	Registration in this database is required for TRICARE eligibility and enrollment.
VA	Department of Veterans Affairs	This federal agency provides health and other benefits to eligible veterans and their families.
FICO	Fair Isaac Corporation	This type of credit score makes up a substantial portion of the credit criteria lenders use to assess an applicant's credit risk.
SCRA	Servicemembers Civil Relief Act	The Servicemembers Civil Relief Act eases the financial burden when Service members are called to active duty by postponing, suspending or lessening certain debt obligations and actions.
MLA	Military Lending Act	The Military Lending Act protects Service members and their families by limiting the cost of credit offered to 36% annual percentage rate.
SGLI	Servicemembers' Group Life Insurance	Servicemembers' Group Life Insurance offers low-cost term coverage to eligible Service members.
VGLI	Veterans' Group Life Insurance	Service members who are eligible for Veterans' Group Life Insurance may be able to keep their life insurance coverage after they leave the military for as long as they continue to pay the premiums.
CONUS	Continental United States	This refers to locations within the continental United States.

IV. ACRONYMS AND ABBREVIATIONS

Acronym/Abbreviation	Full Name	Definition
OCONUS	Outside Continental United States	This refers to locations outside the continental United States.
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.
CZTE	Combat Zone Tax Exclusion	Earnings received while in the combat zone are excluded from taxable income.

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)

- *Post-Deployment CFS/PFM Checklist*
- *Post-Deployment Counselee Checklist*

Handouts:

- *Spending Plan Worksheet Handout*
- *Major Purchases Handout*
- *Paying off Student Loans Handout*
- *Combat Zone Tax Exclusion Handout*
- *TRICARE Overview Handout*
- *Survivor Benefits Overview Handout*
- *Estate Planning Handout*
- *Thrift Savings Plan Handout*
- *Financial Warning Signs Handout*
- *Military Consumer Protection Handout*
- *Sources of Help for Military Consumers Handout*
- *Understanding Credit 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.

- *Post-Deployment Touchpoint Checklists and Handouts*
- *Post-Deployment PowerPoint (PPT) Training slides and Instructor Guide (IG)*
- *Post-Deployment Videos and Video Discussion Guides (VDG)*

3. Online Training

- *Post-Deployment course (Navy e-Learning, My Navy Portal or your service-specific e-Learning site)*

VI. ADDITIONAL LEARNING AND ACTIVITIES

Readjusting after a deployment can be a stressful time for Service members and their families, but provide an excellent opportunity to improve their financial situation. As a CFS you can help Service members reassess their financial goals. Now that they are back, they may want to pay off debt or make a major purchase like a car or home. The training materials, Checklists, and Handouts are all about getting their finances in order and helping them achieve their goals.

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

- Complete the *Spending Plan Worksheet* Handout. Help Service members identify financial goals and develop a spending plan to help meet those goals.
- Demonstrate the life insurance need assessment.
- Review the *Major Purchases* Handout, especially to discuss considerations when car buying.

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
- Saving and Investing
- Thrift Savings Plan
- Car-Buying Strategies



Returning home after deployment can be an exciting time and can bring with it, a number of changes. You may be eager to spend time with your family and friends and adjust to being home. But it's important not to overlook certain financial tasks so you can make the most of the extra money and resources related to your deployment.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Financial Warning Signs
- ✓ Understanding Credit
- ✓ Combat Zone Tax Exclusion
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Paying off Student Loans
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview
- ✓ Thrift Savings Plan

This checklist, supplemented with information and referrals from the Fleet and Family Support Center (FFSC) staff, can help address your specific needs following a deployment.



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. Remind counsees they can make saving 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.

- Understand the warning signs of debt and know where to get help. Review the “Financial Warning Signs” handout for more information.
- Evaluate and update automatic fund transfers, bill payments and allotments, as necessary.
- 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.

- Review the “Combat Zone Tax Exclusion” handout to learn more about common tax benefits and special IRS rules that may apply to your deployment.

Counselor: Eligible Service members, serving in a combat zone, can exclude income from taxation by the Internal Revenue Service (IRS). Refer to the "Combat Zone Tax Exclusion" handout provided and IRS Publication 3, The Armed Forces Tax Guide to learn more about tax-filing deadlines, CZTE, and other tax considerations.

- Review your tax situation and act accordingly.
 - You may be eligible for a tax filing extension depending on where you were deployed. For some locations an extension may be automatic; otherwise, you may need to make a request of the IRS. The lengths of time involved vary.
 - To avoid penalties and interest, review your tax status and prepare the documentation you owe to federal and state tax authorities.
 - For more information regarding taxes, visit www.irs.gov and search “IRS Publication 3, The Armed Forces’ Tax Guide.” This publication covers Service members’ tax benefits and responsibilities in detail. Other resources include your VITA tax office on your installation or online at Military OneSource’s Tax Resource Center.

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: In addition to interest rate benefits, the SCRA may also be helpful with termination of cell phone contracts, automobile leases and residential leases. The SCRA also provides protection in certain situations such as evictions, foreclosures, court proceedings, taxes and liabilities, and installment contracts.

- 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.
- Cancel your active-duty alert with all three credit reporting agencies, if appropriate.
Counselor: Active duty alerts are effective for one year unless counselees requests to have the alert removed sooner. Removing an active-duty fraud alert requires contacting each of the three reporting agencies to request that the alert be removed.

★ MAJOR PURCHASES

- Notify student loan servicer(s) of your return (if applicable).
 - HEROES Act Waiver — If you were exempt from reporting family income to loan servicers, while deployed you must meet all reporting requirements for your loans after your return.
 - Review the "Paying off Student Loans" handout for more information regarding student loan repayment.

Counselor: Explain to counselees that information about their student loans can be found on the National Student Loan Data System (NSLDS) at https://nslds.ed.gov/nslds/nslds_SA/.

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, then 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 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 counsees 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.

- Review the beneficiaries of your Servicemembers' Group Life Insurance (SGLI) and other insurance policies, if applicable. To update the beneficiaries of your SGLI, access the SGLI Online Enrollment System (SOES), by signing into the Milconnect site and searching the "Benefits" tab.
- Contact your auto and property insurance provider and inform them of your return.
- Review your Record of Emergency Data (DD Form 93), or Page 2, by visiting the Navy Standard Integrated Personnel System (NSIPS) at <https://nsips.nmci.navy.mil/>.
- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney and advance directive.
- Revoke your POA if you no longer need a friend or family member to act on your behalf. See your installation's legal office for assistance.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Account for changes to your income and expenses. You may no longer be entitled to certain pays and allowances now that you have returned home. The chart below outlines a few examples of potential income and expense changes to consider.

Potential Income Changes:

- Loss of Family Separation Allowance (FSA)
- Loss of Hostile Fire/Imminent Danger Pay (HFP/IDP)
- Loss of Hazardous Duty Pay (HDP)
- Loss of Combat Zone Tax Exclusion (CZTE)
- Promotion or reenlistment
- Change in spousal income
- Return to civilian employment

Potential Expense Changes:

- New or extra household expenses
- Lower child care costs
- Increase to auto insurance cost, if vehicle is back in use
- Loss of student loan interest relief and other deployment benefits

- Check your Leave and Earnings Statement (LES) to verify pay adjustments are accurately reflected.

Counselor: Remind counsees that any pay they received in error must be repaid. It's best to correct these issues early; otherwise, they may incur a large, unexpected repayment later.

- Review the "TRICARE Overview" handout and reassess health coverage for yourself and/or your family (if applicable).
 - Members of the Navy Reserve who were mobilized and are returning to inactive duty status should review their medical insurance coverages.
 - Reserve members' coverage depends on their orders.
 - Reserve members may receive TRICARE coverage for themselves and their families for up to 180 days following release from active duty.
 - Reserve members may also purchase TRICARE Reserve Select (TRS) policies for themselves and their family members to ensure continuity of coverage as they return to civilian employment. Visit www.tricare.mil/Plans/Eligibility/NGRMandFamilies/CoverageScenarios for more information.
 - Review the "Survivor Benefits Overview" handout to learn more about policies and programs available for survivors.
- Additional notes: _____
-



SAVING AND INVESTING

- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve.
 - Coordinate withdrawal from the Savings Deposit Program (if applicable). Funds must be withdrawn within 120 days after returning from deployment.

Counselor: The SDP allows counselees to contribute up to \$10,000 at 10% guaranteed annual return, compounded quarterly. Funds will continue to earn interest 90 days after departure from the combat zone. Withdrawals and account closing are managed on myPay. For more information about the SDP go to the DFAS website: www.dfas.mil/militarymembers/payentitlements/sdp.html.
 - Review the "Thrift Savings Plan" handout for more information on TSP investment options and contribution limits. Reserve members participating in their civilian employer's qualified retirement plan should verify their contributions and any employer match. The IRS limits apply to all plans.
- Additional notes: _____
-



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- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Paying off Student Loans
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview
- ✓ Thrift Savings Plan

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- 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.

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- 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.

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



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- Review your tax situation and act accordingly.
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 - For more information regarding taxes, visit www.irs.gov and search “IRS Publication 3, The Armed Forces’ Tax Guide.” This publication covers Service members’ tax benefits and responsibilities in detail. Other resources include your VITA tax office on your installation or online at Military OneSource's Tax Resource Center.

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.
- Cancel your active-duty alert with all three credit reporting agencies, if appropriate.



MAJOR PURCHASES

- Notify student loan servicer(s) of your return (if applicable).
 - HEROES Act Waiver — If you were exempt from reporting family income to loan servicers, while deployed you must meet all reporting requirements for your loans after your return.
 - Review the “Paying off Student Loans” handout for more information regarding student loan repayment.

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, then 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 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.

- Review the beneficiaries of your Servicemembers' Group Life Insurance (SGLI) and other insurance policies, if applicable. To update the beneficiaries of your SGLI, access the SGLI Online Enrollment System (SOES), by signing into the Milconnect site and searching the "Benefits" tab.
- Contact your auto and property insurance provider and inform them of your return.
- Review your Record of Emergency Data (DD Form 93), or Page 2, by visiting the Navy Standard Integrated Personnel System (NSIPS) at <https://nsips.nmci.navy.mil/>.
- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney and advance directive.
- Revoke your POA if you no longer need a friend or family member to act on your behalf. See your installation's legal office for assistance.

Additional notes: _____



COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Account for changes to your income and expenses. You may no longer be entitled to certain pays and allowances now that you have returned home. The chart below outlines a few examples of potential income and expense changes to consider.

Potential Income Changes:

- Loss of Family Separation Allowance (FSA)
- Loss of Hostile Fire/Imminent Danger Pay (HFP/IDP)
- Loss of Hazardous Duty Pay (HDP)
- Loss of Combat Zone Tax Exclusion (CZTE)
- Promotion or reenlistment
- Change in spousal income
- Return to civilian employment

Potential Expense Changes:

- New or extra household expenses
- Lower child care costs
- Increase to auto insurance cost, if vehicle is back in use
- Loss of student loan interest relief and other deployment benefits

- Check your Leave and Earnings Statement (LES) to verify pay adjustments are accurately reflected.
- Review the "TRICARE Overview" handout and reassess health coverage for yourself and/or your family (if applicable).
 - Members of the Navy Reserve who were mobilized and are returning to inactive duty status should review their medical insurance coverages.
 - Reserve members' coverage depends on their orders.
 - Reserve members may receive TRICARE coverage for themselves and their families for up to 180 days following release from active duty.
 - Reserve members may also purchase TRICARE Reserve Select (TRS) policies for themselves and their family members to ensure continuity of coverage as they return to civilian employment. Visit www.tricare.mil/Plans/Eligibility/NGRMandFamilies/CoverageScenarios for more information.
- Review the "Survivor Benefits Overview" handout to learn more about policies and programs available for survivors.



SAVING AND INVESTING

- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve.
- Coordinate withdrawal from the Savings Deposit Program (if applicable). Funds must be withdrawn within 120 days after returning from deployment.
- Review the "Thrift Savings Plan" handout for more information on TSP investment options and contribution limits. Reserve members participating in their civilian employer's qualified retirement plan should verify their contributions and any employer match. The IRS limits apply to all plans.

CFS/PFM Printed Name

Counselor Printed Name

Signature

Date

Signature

Date



Post-Deployment Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Post-Deployment* course is organized into seven parts:

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

- 2. Financial Planning**
 - Setting financial goals
 - Spending plan
 - LES and banking
 - Taxes

- 3. Insurance and Legal Documents**
 - Life insurance needs exercise
 - Insurance overview
 - Legal documents
 - Benefits for survivors and dependents

- 4. Saving and Investing**
 - Savings Deposit Program (SDP)
 - Thrift Savings Plan (TSP)

- 5. Managing Debt and Credit**
 - Financial warning signs
 - Military consumer protection: SCRA and MLA
 - Protect your credit reputation
 - Identity theft

- 6. Summary and Resources**

- 7. Conclusion**

TOTAL: 90 minutes

II. LEARNING OBJECTIVES

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

- TLO:** Identify warning signs of Service members at risk for financial problems.

ELOs: Recognize indicators of Service members who are financially at risk. Know how to approach at-risk members with concerns. Understand duty to warn and confidentiality concerns. Know resources for at-risk members.
- TLO:** Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.

ELOs: Be able to estimate the potential savings and expenses associated with deployment (storage, suspended utilities, etc.). Know ways to maximize savings and minimize spending while deployed. Be able to develop a budget for deployment.
- TLO:** Understand the fundamentals and management of debt and credit.

ELO: Understand how to access and use individual financial protection measures such as active-duty alerts and security freezes with credit reporting agencies.
- TLO:** Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.

ELOs: Understand what taxes need to be considered when deployed. Understand residency and tax implications while deployed. Understand the importance of providing tax documentation to beneficiaries to handle during deployment. Update contact information pre- and post-deployment. Establish and prepare a point of contact with tax documentation and information during deployment. Understand how to work with an accountant for tax filing in absentia. Review tax implications of deployment pay.
- TLO:** Know military consumer protection law fundamentals, including the Servicemembers Credit Relief Act (SCRA) and Military Lending Act (MLA).

ELO: Understand how the basic protections afforded under the SCRA can protect finances.
- TLO:** Recognize and understand how to protect yourself from misleading consumer practices and report complaints.

ELO: Recognize scams that target deployed Service members.
- TLO:** Recognize and identify steps to resolve identity theft.

ELOs: Know how to secure personal information for deployment. Know how to check and track personal information while deployed.
- TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.

ELOs: Know what types of additional life insurance are available. Understand how to evaluate estate to know if additional life insurance is necessary. Understand and be able to update insurance policies with additional points of contact for deployment. Understand the need to provide and make insurance documentation readily available to contacts and beneficiaries. Know how to review insurance information and policies and update post-deployment.
- TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, powers of attorney, etc.).



ELOs: Check and track information while deployed. Reevaluate and update survivor benefit elections. Ensure estate planning documents are up to date.

- 10. TLO:** Examine the impact of special pay and entitlements.
ELO: Understand special pay for pre- and post-deployment such as combat pay, family separation, etc.
- 11. TLO:** Discuss TRICARE options and costs.
ELOs: Know how to update coverage under TRICARE. (Guard/Reserve members are eligible for TRICARE Prime when activated for 30 days or more.) Understand services pertaining to post-deployment medical, dental, and mental health benefits to eligible individuals.
- 12. TLO:** Discuss survivor and dependent benefits.
- 13. TLO:** Recognize the importance of and be able to develop savings and an emergency fund.
ELOs: Understand the purpose and basic components of the Savings Deposit Program. Be able to calculate return of investment under Savings Deposit Program. Understand withdrawal considerations.
- 14. TLO:** Understand and be able to manage a Thrift Savings Plan (TSP) account.
ELOs: Understand Combat Zone Tax Exclusion (CZTE) eligibility and TSP implications.

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 needed:

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

Forms and Handouts:

- *Post-Deployment* Counselee Checklist
- *Spending Plan Worksheet* Handout
- *Major Purchases* Handout
- *Paying off Student Loans* Handout
- *Combat Zone Tax Exclusion* Handout
- *TRICARE Overview* Handout
- *Survivor Benefits Overview* Handout
- *Estate Planning* Handout
- *Thrift Savings Plan* Handout
- *Financial Warning Signs* Handout
- *Military Consumer Protection* Handout
- *Sources of Help for Military Consumers* Handout
- *Understanding Credit* Handout

IV. CONTENT



SLIDE 1

Introduction

Welcome everyone home from deployment and to this *Post-Deployment* financial readiness course. Tell them this course will help to transition your finances back home too.

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 provided over the next 90 minutes will help you plan for your finances, *Post-Deployment*. Having an effective financial plan will help you remain focused on the mission and ease your transition back.

***Disclaimer:** The information provided in this course does not constitute a formal endorsement of any company, its products, or services by the military. Specifically, the appearance or use of external hyperlinks does not constitute endorsement by the military of the linked websites, or the information, products, or services contained therein. The military does not exercise any editorial control over the content you may find in these resources. The intent is to provide informative material to assist Service members and their families in identifying or exploring multiple options.*



SLIDE 2

Agenda



INSTRUCTOR NOTE: *Post-Deployment* Counselor Checklist

There are several financial tasks you need to be aware of when returning from deployment. To help you prepare for these tasks, we will be discussing five key topics: **Financial Planning**, **Insurance and Legal Documents**, **Saving and Investing**, **Managing Debt and Credit**, and **Resources**.

Financial Planning

Now let's get started with our first topic financial planning.



SLIDE 3



SLIDE 4

Setting Financial Goals



INSTRUCTOR NOTE: Ask learners what financial goals they set prior to deployment. Did they meet those goals? What are your new financial goals? Give them 60 seconds to complete this.

It's important you review your financial goals *Post-Deployment* and adjust as necessary. If you have new goals, review the process on how to set SMART Goals. SMART is an acronym that stands for **S**pecific, **M**easurable, **A**chievable, **R**elevant and **T**ime-bound.

Let me give you an example.

What if I say, "I want to build up my emergency savings?"
Is that a SMART Goal?

No. It is not specific or measurable and there is no deadline.

A SMART Goal is more like: "Six months from today, I want to have \$1,800 in my emergency savings account. I will save \$75 per week by taking my lunch to work and making my own coffee in the morning."

Here are a few example goals; remember to make them SMART,

- If you have a lot of debt, or any debt with a high interest rate, it may be a good idea to make **eliminating or reducing** that debt your top priority.
- You may also want to save more for **retirement** or for a **near-term goal** like a down payment on a house.
- Each of us should have an **emergency fund**. That's money you keep available in a liquid, interest-paying account so you can handle unexpected expenses like repairs or insurance deductibles.

Once you've determined how much you need to save monthly to achieve your goals, consider automating your savings to make it easier.

Can I get a show of hands — who here believes your financial goals are extremely important? Good, I would like you to hold that thought.



SLIDE 5

Spending Plan



INSTRUCTOR NOTE: *Spending Plan Worksheet, Major Purchases, and Paying off Student Loans Handouts*

If your financial goals are important, then having a good spending plan should be too. If you don't take time to create a written budget, or spending plan, your money may vanish before it can do you any good. In your class materials, you'll find a *Spending Plan Worksheet* to complete later. If you're married or have a significant other, make it a team effort and complete the worksheet together.

As you complete your spending plan, remember to account for changes to income and expenses. Review the items listed on screen and take note on which ones apply to you.

For those preparing for a major purchase, such as a car, truck, or house, be careful to budget accordingly. Now that you've returned from deployment, it's easy to splurge and start spending money you don't have. Consider adjusting to your new financial reality before making a major purchase.

If you need extra help with creating your spending plan, take advantage of free financial counseling available on your installation and Military OneSource.



SLIDE 6

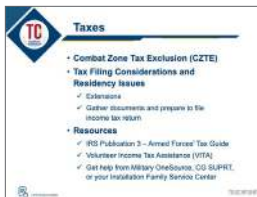
LES and Banking

Now let's move on to topics specific to your pay. Check your Leave and Earnings Statement (LES) to verify pay adjustments are accurately reflected. Remember, any pay you receive which you are not entitled to, must be repaid once the error is noted. It's better to catch these errors early, rather than having to make a large unexpected repayment later.

Also, it's a good idea to review the federal and state tax withholdings on your LES to ensure these are accurate. You may want to update your tax withholding on myPay.

Evaluate and update automatic fund transfers, bill payments and allotments as necessary.

Reservists should review the requirements of USERRA and notify your civilian employer of your return.



SLIDE 7

Taxes



INSTRUCTOR NOTE: *Combat Zone Tax Exclusion Handout*

Next, it's a good time to review your tax situation and act accordingly. As a reminder, if you deployed to a designated combat zone or qualified hazardous duty area, you may have qualified for the Combat Zone Tax Exclusion.

- If you're enlisted, all your compensation should have been excluded from federal income tax.
- If you're an officer, there's a cap on the exclusion that changes each year. In 2018, it was \$8,586 per month.

You don't have to take any action to receive the CZTE. The military is responsible for certifying your entitlements, and excluding reportable income on your W-2.

Just remember, while your income tax was excluded, you still have to pay Social Security and Medicare tax.

If you were deployed out of the country, extensions of tax filing deadlines may apply. Some extensions are automatic, while some have to be requested of the IRS. The lengths of time involved vary. To avoid penalties and interest, review your tax status as soon as possible.

For more information, visit www.irs.gov and search IRS Publication 3, the Armed Forces' Tax Guide www.irs.gov/publications/p3. Also, visit your VITA tax office at your installation or visit Military OneSource's Tax Resource Center for more information.



SLIDE 8

Insurance and Legal Documents

Now let's switch gears and talk about insurance and legal documents.

LIFE Insurance Needs

Liabilities (debts and obligations) _____

Income (amount X number of years needed) + _____

Final expenses + _____

Education and other goals + _____

Subtract current coverage and assets _____

Your Total Need _____

SLIDE 9

Life Insurance Needs



ACTIVITY: Have the class calculate their life insurance needs. Give them 2 minutes to complete this activity.

If you have people who depend on you, you'll want to make sure you have enough life insurance protection so they don't face financial hardship if you're not around.

Here's a simple way to calculate your life insurance needs.

- **Liabilities** are debts you would like to pay off, such as a mortgage, car loans or credit cards.
- Next, think about how much of your annual **income** you'd like to replace. Multiply that by the number of years. So, if you want to replace \$30,000 of income for 10 — 15 years, that's \$300,000 – \$450,000.
- Then come up with how much to set aside for funeral and other final **expenses**.
- Finally, think about the money you'd like to provide for your survivors' education and other goals.

After you've added it all up, **subtract** SGLI and other coverage you already have, plus assets and benefits available at your death. If you need more coverage, consider supplementing your SGLI with insurance from a private company.

Avoid accidental death insurance — you're looking for life insurance, which generally covers any cause of death (other than a suicide that happens in the first two years of the policy).

Insurance Overview

- Life Insurance
 - ✓ SGLI or Private Policy
 - ✓ Coverage
 - ✓ Beneficiaries
- TRICARE
 - ✓ Review
 - Transitional Assistance Management Program (TAMP)
 - TRICARE Reserve Benefit
 - Civilian employer medical coverage
 - Continual Health Care Benefit Program (CHCBP)
 - ✓ U.S. Department of Veterans Affairs
- Auto, Homeowners, Renters, Dental
 - ✓ Review and update your current insurance policies

SLIDE 10

Insurance Overview



INSTRUCTOR NOTE: *TRICARE Overview Handout*

Review and update all your insurance policies to make sure you're protected. A key page to look for is the **policy specifications page**, which shows types and amounts of coverage.

Life Insurance

Be sure to review and update your life insurance coverage and beneficiaries as needed. Servicemembers' Group Life Insurance automatically insures you for \$400,000 unless you decline coverage or choose a smaller amount. Your beneficiaries may receive the proceeds without any income tax obligation. If you're looking for more **life insurance**, there are two main types: term insurance and permanent insurance. Think of **term insurance** as temporary coverage that lasts for a certain period of years.

Permanent insurance is designed to last your entire life. Permanent insurance costs more, but also builds cash value. Term gives you the most coverage for your dollar right now.

Watch out for policy exclusions. These are instances when the policy may not pay out. You should avoid policies that contain a war clause or exclude serving as a pilot or member of an air crew.

Double-check the **beneficiaries** of your insurance policies and retirement accounts. Keep in mind your will does not overrule your beneficiary designations. That means if an ex-spouse is listed as a life insurance or TSP beneficiary and you die, the ex will get the money no matter what your will says.

Verify that you didn't miss any **premium payments** while you were deployed. If you're paying by check, consider switching to an automatic draft from your checking account. That's a good idea for all bills.

TRICARE

Next up, reassess health coverage for yourself and/or your family if applicable. This mainly applies to members of the Reserve who were mobilized and are returning to inactive duty status. Reserve members' coverage depends on their orders, but typically you may receive TRICARE coverage for yourself and your family for up to 180 days following release from active duty.

Reserve members may also purchase TRICARE Reserve Select (TRS) policies for themselves and their family members to ensure continuity of coverage as they return to civilian employment if they plan to continue a drilling status.

The Continued Health Care Benefit Program (CHCBP) is a premium-based plan that gives you temporary health coverage for 18 to 36 months when you lose eligibility for TRICARE. It provides the same coverage as TRICARE Select, including prescriptions.

Visit www.tricare.mil/Plans/Eligibility/NGRMAandFamilies/CoverageScenarios for more information.

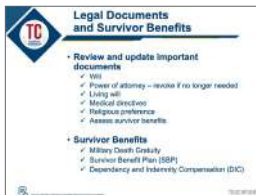
After deployment, you may be required to complete a Post-Deployment Health Reassessment (PDHRA). There are post-deployment medical, dental and mental health benefits for eligible individuals.

For any Service member being discharged, you may be eligible for health care from Veterans Affairs (VA). There are many ways to be eligible, such as receiving a VA pension, being a Purple Heart recipient, or receiving compensation for a service-connected disability.

Auto, Homeowners, Renters, Dental

It's a good time to review all of your insurance coverages. We just talked about TRICARE, but don't forget to think about dental when you consider health coverage.

Contact your auto or property insurance provider and inform them of your return. It's especially important if your vehicle has been in storage or off the road, that you make sure you have active coverage on your vehicle before driving it again. Review and update all policies.



SLIDE 11

Legal Documents and Survivor Benefits



INSTRUCTOR NOTE: *Estate Planning and Survivor Benefits Overview*
Handouts

Estate planning sounds like something that's only for rich people, but it's really a good idea for everyone. Having the right legal documents means making preparations so that your wishes for your survivors are carried out if you die or become incapacitated.

Estate planning can include things like:

- Writing a will
- Giving someone else a "power of attorney," which lets them handle transactions on your behalf
- Creating a "living will" that tells others your preferences for medical care
- Expressing your religious preference
- Updating beneficiaries of life insurance policies, your TSP, and IRAs
- Designating a guardian for dependents
- Establishing trusts
- Making funeral arrangements

In your will, you'll indicate the state of your legal residence, which is typically your home of record. That state's laws will dictate how your will is handled in probate and which state inheritance or estate taxes might apply to your assets.

Your military legal service office can help you create and update these documents. After you create them, make sure to safeguard your documents and make sure the right people in your life know where to find them.

Finally, it's a good estate planning idea to assess your survivor benefit elections to ensure beneficiaries and any other issues such as legal guardians for dependents are current. Review the Survivor Benefits Overview Handout for more information on financial resources available to eligible dependents.



SLIDE 12



SLIDE 13



SLIDE 14

Saving and Investing

The next few slides will discuss common topics for personal financial planning to include savings, investing, debt and credit.

Savings Deposit Program (SDP)

If you took advantage of the DoD **Savings Deposit Program (SDP)**, here are a few things to consider:

1. Make sure your contributions have stopped since you're no longer eligible to contribute.
2. Interest continues for up to 90 days after your return, so if you do not need this money, it might be a good idea to let it continue to earn interest.
3. Withdrawals are pretty easy to request through DFAS. After 120 days your money will be deposited automatically to your bank of record if you don't do anything.

Thrift Savings Plan (TSP)



INSTRUCTOR NOTE: *Thrift Savings Plan* Handout

Don't forget about reviewing your **Thrift Savings Plan (TSP)** contributions listed on your LES. Reservists may want to also review their civilian employer retirement plan and resume saving once they return. Reserve members must be careful not to exceed IRS employer plan contribution limits. Normally, your contributions are limited to \$19,500 (for tax year 2020). This amount is the total combined limit into your TSP and civilian retirement plan, like a 401(k). However, if you were deployed to a Combat Zone Tax Exclusion area, you may have been eligible to contribute up to \$57,000 (for tax year 2020) between your contributions and any match. Speak to your employer benefits provider before making additional contributions to your civilian 401(k).

This is also a good time to evaluate your investment options and portfolio allocation to ensure the risk you are taking with your retirement accounts align with your goals.

Finally, take a few minutes to log into your account at [TSP.gov](https://www.tsp.gov) and review your beneficiaries. Review the *Thrift Savings Plan* Handout for more information about managing your TSP. Make an appointment with a PFM on your installation to have a more detailed discussion about investing for retirement.



SLIDE 15



SLIDE 16

Managing Debt and Credit

Now let's turn our attention to debt and credit.

Financial Warning Signs



INSTRUCTOR NOTE: *Financial Warning Signs* Handout

Take a look at these possible indicators of financial troubles. Consider whether any of them apply to you or to your fellow Service members in your unit or those you lead.

One key thing to remember about financial trouble, is that it's important to recognize it and take steps to get help immediately. Don't wait until the problem gets bigger.

If you find yourself in financial trouble, you have a **duty to warn** your chain of command before it gets worse. They can't help you with a problem if they don't know you have one.

Financial problems don't just affect your personal life. They can also have major **consequences** for your career. That's especially true if you fall behind in paying what you owe others — whether that's a credit card, car loan, utilities or rent. You could find yourself facing non-judicial punishment, a revoked security clearance, missing out on a promotion or a duty assignment, or even discharge from the military altogether.

If you're a military **leader** and suspect one of your Service members is in financial trouble, have a private one-on-one discussion. Reassure them that you have a duty to keep their problems **confidential** and be prepared to help by providing any necessary referrals.

Be **direct** and **understanding** of the Service member's situation. Let them know you're concerned about their well-being and ask if they are having financial problems.

Help connect them to the **resources** that can help them get their financial house back in order.



SLIDE 17

Military Consumer Protections



INSTRUCTOR NOTE: *Military Consumer Protection and Sources of Help for Military Consumers Handouts*

It's important to know your rights. Let's review these Handouts.

While you're on active duty, whether deployed or not, the Military Lending Act prohibits lenders from charging you an interest rate higher than 36% on most consumer loans and provides other protections too.

If you need help asserting your rights with your lenders, or have questions about your legal obligations, get help from the military Legal Service Office. If you took advantage of some of the protections offered by the SCRA, it's important to notify creditors of your return. Civil judgments, if delayed while you were deployed, will now need to be addressed.

If your student loans are set to 0% due to deployment in a hostile fire zone, or if you are a member of the Reserve and are demobilizing after a period of reduced interest under the SCRA, you must notify the loan servicer(s) of your return.

HEROES Act Waiver — If you were exempt from reporting family income to loan servicers, while deployed you must meet all reporting requirements for your loans after your return.



SLIDE 18

Protect Your Credit Reputation



INSTRUCTOR NOTE: *Understanding Credit Handout*

Cancel Active-Duty Alert — It's important to notify lenders and the credit bureaus of your return. This is especially important if you added an active-duty alert or security freeze. These alerts will last one year, unless you ask for them to be removed sooner. If you would like to remove an alert or freeze, you will need to contact each of the three major credit reporting agencies individually: Equifax, Experian and TransUnion.

**INSTRUCTOR NOTE: Equifax: 800-685-1111 • Experian: 888-EXPERIAN
TransUnion: 888-909-8872**

Secure your information. You may have chosen to place an active-duty alert to reduce identity theft. As you know, identity theft occurs when someone steals an individual's personal information and uses it without his or her permission to open fraudulent accounts and make unauthorized purchases. In the course of our military duty, it's important to follow the military's personally identifiable information regulations. In managing your personal affairs, there are many ways to defend against identity theft:

- Safeguard your wallet, checkbooks, ID cards, credit cards and your mail
- Most information used in ID theft comes from the mail. Sign up for electronic delivery of your banking, credit and other financial statements
- Opt out of prescreened credit offers. You can also do it by visiting optoutprescreen.com
- Opt out of marketing phone calls by visiting donotcall.gov.
- ID Theft Resources — For additional information about or to recover from ID theft, visit these websites:
www.identitytheft.gov and www.consumer.gov.

Everyone, including civilians, is entitled to a free credit report once a year from each bureau. If you think you're a victim of identity theft, you can find guidance for what to do at identitytheft.gov.

At annualcreditreport.com, you can request a free copy of your credit report from each of the three major credit bureaus. Your credit report shows all the current credit that's open in your name, as well as your history.



SLIDE 19



SLIDE 20



SLIDE 21



SLIDE 22

Summary and Resources

Finally, let's take our last couple of minutes together to summarize what we've discussed today.

Summary

Welcome Home from Deployment!

Let's wrap up all the topics we talked about today.

- Financial Planning
- Insurance and Legal Documents
- Saving and Investing
- Managing Debt and Credit

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 in today's class, and once again, welcome back from your deployment.

CFS Preparation: Distribute and discuss the Post-Deployment 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 we will be having a conversation about managing your finances after returning home from deployment. The goal of today’s discussion is to go over financial tips and information that are helpful when adjusting back to everyday life.

The excitement from returning home from a deployment is a feeling like no other. However, this change has financial implications for which you should be prepared. The following videos will provide guidance on making adjustments to your post-deployment financial plan.

Play Videos 1 & 2

Discussion Questions



1. Overview - Post-Deployment

What aspects of your income will change when you return home from deployment?

CFS Talking Points: Examples include: loss of deployment pays, income that was non-taxable while deployed will be exposed to taxes once again. Monitor your LES to ensure you are receiving appropriate entitlements.



2. Financial Planning for Post-Deployment

How will your expenses change when you are no longer deployed?

CFS Talking Points: Food, gas, housing, entertainment, overdue vacations, family outings, travel, insurance, cell phone are likely to increase. Reassess your spending plan to include the additional expenses that will occur.

Play Video 3

Discussion Question



3. Reassessing Your Goals After Deployment

1. Are you planning any major life events or large purchases after your deployment?

CFS Talking Points: Marriage, divorce, new child, family changes/support; purchases such as a car, house, vacation

Play Video 4 & 5



4. Set Up
Smooth Landing
Checklist



5. Legal
Documents

Discussion Question

1. With regards to legal documents, are there any changes that need to be made?

CFS Talking Points: It is always recommended to stay on top of keeping legal documents up to date. Did you issue a Power of Attorney that is no longer needed? Review your will and beneficiary documents to ensure your wishes are reflected.

Knowledge Check

Question: What free resource do you have access to, to assist in reviewing your legal documents?

Answer: Base Legal Office

PART 2

Play Video 6



6. SCRA,
Student Loan
Relief and SDP

Knowledge Check

Question: If you participate in the Savings Deposit Program how long will your funds continue to earn interest after you return from deployment?

Answer: 90 Days

Play Video 7

Discussion Question



7. Insurance:
Medical, Auto,
Property, Life

1. Prior to deployment it was recommended you review and update insurance policies as needed. Now that you are home it is a good time once again to verify your insurance needs are met. What insurance coverage items should you consider at this time?

CFS Talking Points: Medical (TRICARE coverage) — Did your family return home while you were gone and now you are back together at your duty location in a different TRICARE region? While you were deployed did you add any new family members that would require an update to your life insurance? If you made major “post-deployment” purchases your property and auto insurance will need reviewing as well.

Play Video 8



8. Active Duty Alerts

Knowledge Check

Question: If you placed an active duty alert on your credit which credit reporting agency should you contact to remove the alert?

Answer: All 3; Equifax, Experian, TransUnion

Play Video 9



9. Other Considerations And Wrap-Up

CFS Closing: We have reviewed financial information and provided reminders for important considerations as you return from deployment. Keep in mind to update contact information if you have changed your phone number, email address or moved, so you will continue to receive important notices. If you have not filed your taxes and it is time to do so be sure to organize your documents and file your returns soon after you return home. With all the excitement around your return be reminded of your financial goals and remain on track with a plan to achieve them.



Post-Deployment Presentation





1

Agenda

- Financial Planning
- Insurance and Legal Documents
- Saving and Investing
- Managing Debt and Credit
- Resources

Post-Deployment Checklist Available

TOUCHPOINT

2



3

Setting Financial Goals

- **Write down the financial goals you set prior to deployment**
 - ✓ Which financial goals were met during deployment?
 - ✓ Which goals do you still need to work on?
- **If necessary, set new or additional SMART Goals**
 - ✓ Specific
 - ✓ Measurable
 - ✓ Achievable
 - ✓ Relevant
 - ✓ Time-bound
- **Prioritize your goals and determine how much you need to save monthly to achieve your goals**

4

Spending Plan

- Create and update your spending plan
- Account for changes to income, taxes and expenses
- Set up automatic bill pay

Changes to Income

- ✓ Loss of Family Separation Allowance (FSA)
- ✓ Loss of Hostile Fire / Imminent Danger Pay
- ✓ Loss of Hazardous Duty Pay
- ✓ Loss of Combat Zone Tax Exclusion
- ✓ Promotion or Reenlistment
- ✓ Change in spousal income

Changes to Expenses

- ✓ New or extra household expenses
- ✓ Lower child care costs
- ✓ Loss of SCRA Benefits
- ✓ Loss of student loan interest relief and other deployment benefits



Spending Plan Worksheet, Major Purchases, and Paying off Student Loans Handouts Available

TOUCHPOINT

5




LES and Banking

- Review your Leave and Earning Statement
 - ✓ Pay adjustments
 - ✓ Federal and state tax withholding
 - ✓ Contributions to Savings Deposit Plan (SDP) and Thrift Savings Plan
 - ✓ Allotments
- Review your bank statements
 - ✓ Automatic funds transfers
 - ✓ Bill payments
- Reserve — contact civilian employer
 - ✓ Review requirements of The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)


TOUCHPOINT

6



Taxes

- **Combat Zone Tax Exclusion (CZTE)**
- **Tax Filing Considerations and Residency Issues**
 - ✓ Extensions
 - ✓ Gather documents and prepare to file income tax return
- **Resources**
 - ✓ IRS Publication 3 – Armed Forces' Tax Guide
 - ✓ Volunteer Income Tax Assistance (VITA)
 - ✓ Get help from Military OneSource, CG SUPRT, or your Installation Family Service Center



CZTE Handout Available

TOUCHPOINT

7



Insurance and Legal Documents


TOUCHPOINT

8




LIFE Insurance Needs

Liabilities (debts and obligations)		_____
Income (amount X number of years needed)	+	_____
Final expenses	+	_____
Education and other goals	+	_____
<i>Subtract current coverage and assets</i>	-	_____
Your Total Need		<div style="border: 1px solid black; width: 100px; height: 25px; margin: 0 auto;"></div>



TOUCHPOINT

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Insurance Overview

- **Life Insurance**
 - ✓ SGLI or Private Policy
 - ✓ Coverage
 - ✓ Beneficiaries
- **TRICARE**
 - ✓ Reserve
 - Transitional Assistance Management Program (TAMP)
 - TRICARE Reserve Select
 - Civilian employer medical coverage
 - Continued Health Care Benefit Program (CHCBP)
 - ✓ U.S. Department of Veterans Affairs
- **Auto, Homeowners, Renters, Dental**
 - ✓ Review and update your current insurance policies



TRICARE Overview Handout Available
TOUCHPOINT

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Legal Documents and Survivor Benefits

- **Review and update important documents**
 - ✓ Will
 - ✓ Power of attorney – revoke if no longer needed
 - ✓ Living will
 - ✓ Medical directives
 - ✓ Religious preference
 - ✓ Assess survivor benefits
- **Survivor Benefits**
 - ✓ Military Death Gratuity
 - ✓ Survivor Benefit Plan (SBP)
 - ✓ Dependency and Indemnity Compensation (DIC)



Survivor Benefits Overview and Estate Planning Handouts Available

TOUCHPOINT


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Saving and Investing

TOUCHPOINT

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Savings Deposit Program (SDP)

- **Ensure contributions have stopped**
- **Interest earned up to 90 days after return**
- **Withdrawals**
 - ✓ Contact DFAS
 - ✓ Verify your bank routing and account numbers
 - ✓ Automatic direct deposit after 120 days


TOUCHPOINT

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Thrift Savings Plan (TSP)

- **Review contributions listed on LES**
 - ✓ Reserve TSP contributions must be coordinated with any civilian employer plan 401(k) to avoid excess contributions
- **Evaluate investment options and portfolio allocation**
- **Update beneficiaries as needed**



Thrift Savings Plan Handout Available

TOUCHPOINT

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Managing Debt and Credit


TOUCHPOINT

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Financial Warning Signs

- Living paycheck to paycheck
- Unable to pay bills
- Unable to make expensive purchases
- No savings
- Spouse lost job
- Over your head in debt
- Preoccupied and being distant



Financial Warning Signs Handout Available

TOUCHPOINT

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Military Consumer Protections

- **Know your rights**
 - ✓ Servicemembers Civil Relief Act (SCRA)
 - ✓ Military Lending Act (MLA)
 - ✓ Legal Service Office
- **Civil judgments delayed while deployed need to be addressed**
 - ✓ Eviction and foreclosure
 - ✓ Default judgment
 - ✓ Property repossession or seizure
 - ✓ Student loans



Military Consumer Protection and Sources for Help for Military Consumers Handouts Available

TOUCHPOINT

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Protect Your Credit Reputation

- **Active-duty alerts and security freeze**
 - ✓ Good for one year unless you remove sooner
 - ✓ Must contact each of three agencies to remove
- **Secure your information**
 - ✓ Follow Personally Identifiable Information (PII) regulations and procedures
 - ✓ www.identitytheft.gov or www.consumer.gov
- **Review credit report**
 - ✓ www.annualcreditreport.com
 - ✓ Take advantage of free credit monitoring



Understanding Credit Handout and Post-Deployment Counselor Checklist Available

TOUCHPOINT

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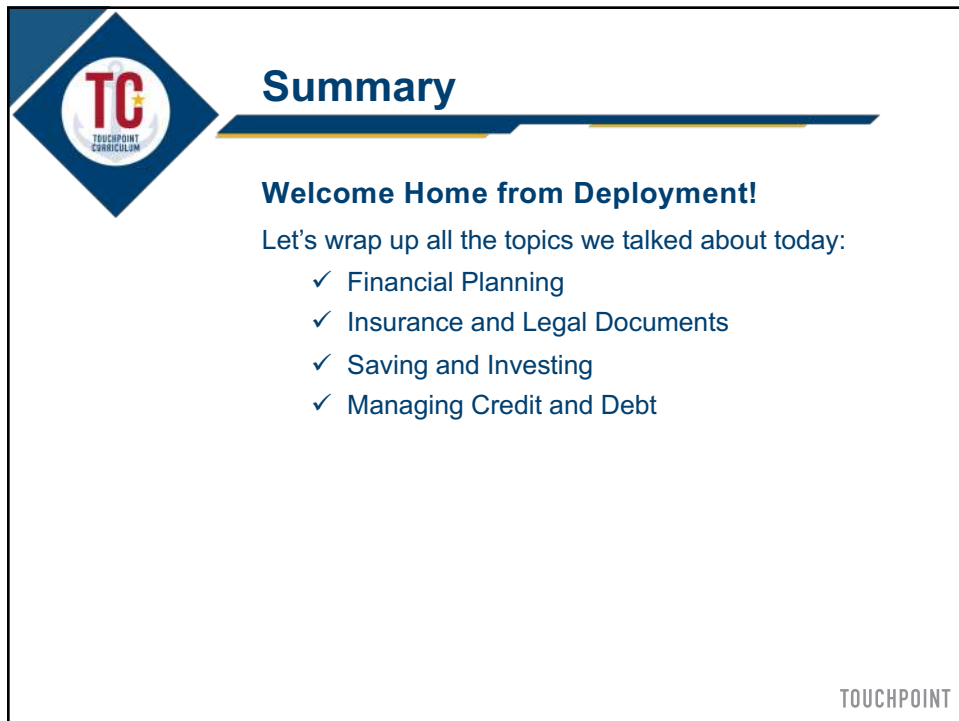


TC
TOUCHPOINT
CURRICULUM

Summary and Resources

TOUCHPOINT

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TC
TOUCHPOINT
CURRICULUM

Summary


Welcome Home from Deployment!

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



- ✓ Financial Planning
- ✓ Insurance and Legal Documents
- ✓ Saving and Investing
- ✓ Managing Credit and Debt

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

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Appendix

Handouts:

Basic Investing

Combat Zone Tax Exclusion

Education Benefits and Savings

Entitlement to Continuation Pay

Estate Planning

Estimated Travel Costs for a PCS Worksheet

Financial Planning Worksheet for a PCS Move

Financial Values

Financial Warning Signs

Five Rules of Buying a House

Major Purchases

Military Banking

Military Consumer Protection

Military Retirement

My Rating as a Money Manager

Paying off Student Loans

Sources of Help for Military Consumers

Spending Plan Worksheet

Survivor Benefits Overview

The Need for Personal Financial Management

Thrift Savings Plan

TRICARE Overview

Understanding Credit



BASIC INVESTING

What Is Investing?

In simple terms, investing is using money to try to make a profit or produce income. It's similar to savings in that both involve setting aside money for the future. However, investing is different than savings in that it exposes your money to risk in hopes of earning substantially greater returns. While saving is usually prudent for shorter-term needs, investing is often more appropriate for longer-term goals.

The Power of Compound Interest (Earnings)

Compound interest is the cycle of earning interest on interest, or earnings on earnings. And the longer you have to let it play out, the better.

Let's assume Pressy, Mandi and Steve all want to retire at age 65, they each can invest \$200 per month, and they each earn an average annual return of 8% on their investments. Let's further assume though, that they get started at different times. Pressy begins investing at age 20, Mandi at age 25, and Steve at age 35.

The chart below shows the difference in how much they each invest compared to how much they have in the end. This is why it's so important to get started early.

Three Good Reasons to Invest!

1. Potential for higher returns

Investing involves risk and you could lose money. Returns are not guaranteed, but investing gives you the chance to earn higher returns. The larger your returns, the more money you'll have in the future.

2. Achieving long-term goals

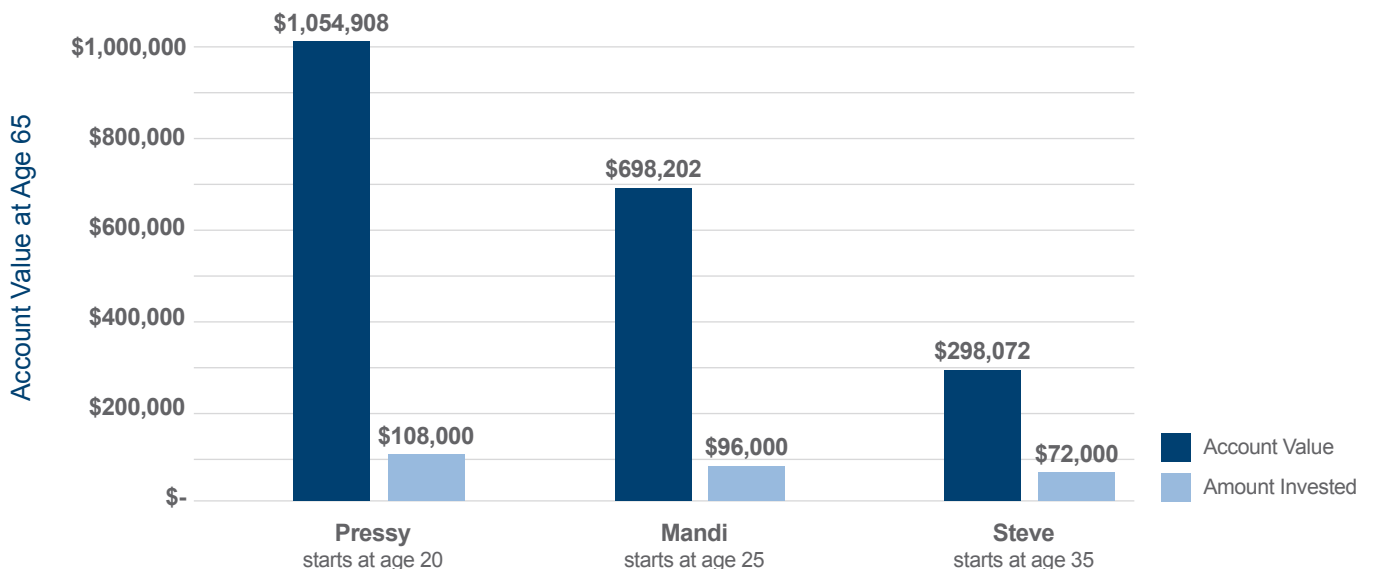
Savings alone might not allow you to accumulate enough to reach your goals. Investing those same dollars can increase those chances, or at least position you to accumulate more money over time.

3. Inflation

Simply put, things become more expensive over time. This is called inflation and it means your long-term goals will cost more than they do today. Investing offers the potential to keep up with, and possibly even outpace, inflation.

The Benefits of Starting Early

\$200 per Month Invested Earning 8% Annual Return*



*Hypothetical return for illustrative purposes only. Not guaranteed.



BASIC INVESTING

Basic Types of Investments

Equities — An equity — also known as stock — represents ownership in a company. Companies sell stock to raise money to fund their business. The purchase of a stock makes you a shareholder in the company. Company value may go up or down, affecting the stock price. As a result, the stock may be sold at a profit or loss. Companies may also distribute profits by giving shareholders periodic payments called dividends.

Bonds — A bond represents a loan made by an investor to a borrower, typically a business or government entity. The borrower promises the debt will be paid back with interest at a specific time. Bonds are typically issued by companies, municipalities, states, and sovereign governments to finance projects and operations.

Cash — Cash and cash equivalents like savings accounts, money markets, and certificates of deposit (CDs) are meant to be low-risk and accessible. Their returns tend to be lower than equities and bonds because they are less risky. This typically makes cash a poor choice for long-term goals because many of them won't even keep up with inflation.



Note About Risk: Each investment has a different level of risk. Generally speaking, the riskier the investment, the greater the potential for gain or loss. It is important to know your own comfort level, called risk tolerance. Choose investments that line up with your risk tolerance, goals, and time horizon, which means when you expect to use the money with inflation.

Understanding Investment Funds

Mutual funds and exchange-traded funds are groups of investments bundled together. Different combinations of equities, bonds, and cash serve as building blocks for thousands of investment funds. Professional portfolio managers decide on the fund mix for a specific investing purpose such as index-tracking, growth or income.

Mutual Funds — A mutual fund is made up of money collected from many investors to purchase investments like cash, bonds, stocks and other assets. They are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus. Mutual funds do not trade on the exchange, but rather the underlying assets do. Fund value is determined at the close of the trading day.

Exchange-Traded Fund (ETF) — An ETF, or exchange-traded fund, is an investment that tracks a particular set of equities, similar to an index. It's similar to a mutual fund but trades just as a normal stock would on an exchange, and its price adjusts throughout the day rather than at market close. ETFs can track stocks in a single industry, such as energy, or an entire index of equities like the S&P 500.

Helpful Strategies for Investing



Dollar Cost Averaging

- Investing a set amount of money on a regular basis, whether the market is moving up or down.
- This strategy spreads investment risk over time — when prices are high, you buy fewer shares and when prices are low, you buy more shares.
- There is no protection against losses when the market declines.
- Try to invest continuously, even when the market is down.



Invest for the Long Term

- Be patient and give your investment portfolio time to grow and compound, increasing the likelihood that you will reach your financial goals.
- Use time, not timing. No one can accurately predict market fluctuations. Begin investing early and regularly.



Facts Over Emotion

- Investing success requires patience, determination and knowledge. Don't let the latest news or other short-term variables influence your investment decisions.
- Use facts to guide your decisions. Educate yourself through reputable business periodicals, books and websites.



Diversify

- Don't put all your eggs in one basket. In investment terms, this means your portfolio should have a wide variety of investments in an effort to reduce risk.
- Investing in unrelated assets provides an average return of all choices, rather than relying on the return of just one investment.



Beware of Risky Investments

- Stay away from futures, commodities, and other risky investment strategies – at least until you have an established and diversified portfolio.
- Educate yourself and be sure to understand the risk of these types of investments. If used, they should only take up a small portion of your overall portfolio.



Avoid Chasing Performance

- Investment asset categories tend to move in cycles. The high-performing investment this year could show poor returns in future years.
- Remember, you are investing for the long term. Chasing performance can lead to recurring losses over time.



Evaluate your Investment Plan

- Review your investment plan at least annually or at times of significant life events.
- If necessary, rebalance your portfolio to ensure your mix of investments aligns with your goals, risk tolerance, and time horizon.

Resources:



www.investor.gov

www.sec.gov

www.mymoney.gov

www.dol.gov

www.finra.org

What It Means for You

The Combat Zone Tax Exclusion (CZTE) is a provision that exempts all or a portion of earnings from federal income taxes while a Service member is deployed to a designated combat zone. This can mean more money in your pocket or more to achieve your financial goals. It also creates a scenario where you can contribute more than normal to the TSP.

Income Excluded

In most cases, if you serve one or more days in a designated combat zone, federal income taxes are excluded on the following military compensation earned while there:



- **Basic Pay**
- **Incentive Bonuses**
- **Imminent Danger/Hostile Fire Pay**
- **Continuation Pay under BRS**
- **Awards and Other Financial Incentives:**
Income from submissions made while in a combat zone
- **Combat Zone Injury Income:**
Income earned while hospitalized from an injury sustained in a combat zone (up to 2 years after departing combat zone)
- **Student Loan Repayment:** Income from the portion of student loan repayment programs associated with the months spent in a combat zone. For example, if one year is required to earn the repayment, a Service member who served six of those months in a combat zone can exclude half of the repayment income from taxes.
- **Accrued Leave Sold:** Income earned in a combat zone from selling accrued leave

CZTE adjustments will be automatically reflected on your pay statement and W-2. Review both for confirmation. You do not have to sign up or enroll. Note that Medicare and Social Security taxes still apply.

Maximum Exclusion

For enlisted members, Warrant Officers and Commissioned Warrant Officers, all military pay for each month in a combat zone is excluded from federal taxation. For Commissioned Officers, the amount of income excluded is limited to the highest rate of enlisted pay plus imminent danger/hostile fire pay for each month present in a combat zone.

Higher TSP Contribution Limits

Under normal circumstances, with no deployment to a combat zone, Service members can make Thrift Savings Plan contributions up to the amount of the IRS Annual Elective Deferral Limit, which is \$19,500 for 2020. When deployed to a combat zone, the IRS Annual Addition Limit (\$57,000 in 2020) is used instead.

Since this limit applies to all contributions made to a Service member's account, the maximum permitted contribution by a Service member will be the Annual Addition Limit minus any service-provided automatic and matching contributions made under the Blended Retirement System (BRS). Those not covered under BRS will be able to contribute up to the full limit. Additionally, catch-up contributions (\$6,500 in 2020) are permitted for those age 50 and older.

Contributions to Roth TSP accounts are limited to the Elective Deferral Limit so contributions in excess of this limit, along with service-provided automatic and matching contributions, will all be made to the participant's Traditional TSP account. Because of this limit, Service members wishing to maximize Roth account contributions while in a combat zone will often fund a Roth IRA as well.

Resources:

- IRS Guidelines: www.irs.gov/individuals/military/tax-exclusion-for-combat-service
- Combat Zones: www.dfas.mil/militarymembers/payentitlements/Pay-Tables/CZ1.html
- TSP Limits: <https://www.tsp.gov/making-contributions/contribution-limits/>





EDUCATION BENEFITS AND SAVINGS

Learn More, Earn More

Your branch of service, the Department of Defense (DoD) and the Department of Veterans Affairs (VA) recognize the importance of education and offer a variety of programs to help Service members in this area. Some programs are for current Service members, while other benefits can be used after you separate or retire. You can also save or invest in special, tax-advantaged accounts on your own to supplement these benefits.

Military Education Benefits

Apprenticeship and Credentialing Programs

United Services Military Apprenticeship Program (USMAP): USMAP provides active-duty members of the Navy, Marines, Coast Guard, and Army the ability to identify and register for apprenticeships related to their Military Occupation Specialty. Those completing apprenticeship programs receive a Department of Labor Certificate of Completion of Apprenticeship which can benefit them during their time in the military and after separation. Learn more at https://dodcareerready.uslearning.gov/service_members/apprenticeships.

Credentialing Opportunities On-Line (COOL) Program: The COOL program can help you translate the skills you develop while serving to more than 1,600 nationally recognized licenses, certifications and credentials. Learn more at www.cool.osd.mil.

Tuition Assistance

Tuition Assistance (TA) is primarily intended to raise the academic degree level of the force by providing financial assistance to active-duty, National Guard and Reserve members pursuing education goals during off-duty periods.

The courses must be offered by schools that are recognized by the U.S. Department of Education and are signatories to the current DoD Voluntary Education Partnership Memorandum of Understanding (DOD MOU). Each service maintains a TA program and sets specific eligibility criteria.

TA cannot be used for coursework funded by another federal source (VA education benefits, ROTC scholarships, education-related incentives or bonuses). Federal student aid, loans, grants, and work-study programs will not be considered a duplication of benefit.

Eligible Programs

- Accredited online or in-person courses
- High school diploma
- Vocational, technical and certification programs
- Associate's, bachelor's or master's degree

Limits

- The Tuition Assistance program may fund up to:
- \$250 per semester credit hour
 - \$4,500 annually

A Word About Accreditation



Military education benefits are very valuable, so you'll want to be sure to use them in pursuit of high-quality education at accredited institutions.

Accreditation means an outside organization has conducted an evaluation of a school and determined it meets certain standards for providing a quality education.

Accreditation Impacts Whether:

- Other schools will allow you to transfer credits from that school
- Employers will be impressed by the work you've done
- Licensing boards will accept your education

Not all accreditation is the same. There are two major types: national and regional. It may seem counterintuitive, but regional accreditation is much more valued than national accreditation. You also want to make sure that the school not only has the right accreditation, but that the specific program you're considering is accredited too.



EDUCATION BENEFITS AND SAVINGS

GI Bills

GI Bill benefits are paid by the Department of Veterans Affairs (VA) to help qualifying Service members, veterans and their family members cover some or all of the costs for school or training. There are two GI Bills: the Post-9/11 GI Bill and the Montgomery GI Bill (MGIB). MGIB has programs for active-duty Service members and for members in the Selected Reserve.

	Post-9/11 GI Bill	MGIB-AD	MGIB-SR
Minimum Length of Service	90 days active aggregate service (after 9/10/01) <i>or</i> , 30 days continuous if discharged for service-connected disability <i>or</i> , No minimum service requirement if Purple Heart recipient	2 years continuous enlistment (minimum duty varies by service date, branch, etc.)	6-year commitment
Maximum # of Months of Benefits	36	36	36
How Payments Are Made	Tuition: Paid to school Housing stipend*: Paid monthly to student Books & supplies stipend*: Paid to student	Set monthly amount paid to student regardless of actual costs	Set monthly amount paid to student regardless of actual costs
Duration of Benefits	No expiration for those leaving the service on or after January 1, 2013	Generally, 10 years from last day of active duty	Ends the day you leave Selected Reserve
Transferability	To qualified dependents*	Not transferable	Not transferable
All three GI Bills can be used for the following educational programs			
Eligible Education Programs	<ul style="list-style-type: none"> ✓ Degree Training ✓ Non-college Degree Training ✓ Apprenticeship Training ✓ Flight Training 	<ul style="list-style-type: none"> ✓ Correspondence Courses ✓ Licensing & Certification ✓ National Testing Programs ✓ Work-study Program 	
<i>*Under certain conditions</i>			

In-State Tuition for Veterans

The difference between the tuition charged at state colleges and universities to residents (in-state) versus nonresidents (out-of-state) can be substantial. Under both the Post-9/11 GI Bill and the Montgomery GI Bill, veterans are entitled to in-state resident tuition rates even if they have not established residency in that state.

Education Benefits Resources

- Defense Activity for Non-Traditional Education Support (DANTES): www.dantes.doded.mil
- U.S. Department of Veterans Affairs: www.benefits.va.gov/gibill
- Department of Defense Career Ready Portal: <https://dodcareerready.usalearning.gov>



EDUCATION BENEFITS AND SAVINGS

Saving for College

Looking to save or invest for a child's education? There are several different types of accounts available to parents wanting to save for their child's higher education needs. The key differences to consider include the account's ownership, tax advantages, and annual contribution limits.

General Investment Accounts

Here, we're not talking about accounts with special education tax breaks — just a regular account held in a parent's or grandparent's name.

Advantages

- No contribution limits
- The owners control how the account is invested and used.
- No income or age limitations

Disadvantages

- All interest, dividends and gains are taxable.
- These accounts may impact the Expected Family Contribution calculation made by a college for financial aid.

529 College Savings Plans

This is a tax-advantaged investment account that allows for tax-free withdrawals to pay for qualified expenses like K-12 public, private, and religious school tuition and college education.

Advantages

- Qualified withdrawals are exempt from federal and possibly state income taxes.
- Funds can be used for all qualified education expenses, including tuition, certain room and board expenses, fees, supplies and equipment required for enrollment at any accredited school.
- Typically, these have less impact on financial aid eligibility than other types of accounts.
- Large contributions are permitted, and the account owner maintains control of the assets.
- Generally, anyone can contribute, regardless of residency or income.
- Potentially transferable to another family member without a penalty.

Disadvantages

- Withdrawals that aren't used to cover qualified expenses are subject to a 10% penalty on earnings, in addition to ordinary federal and state taxes on those earnings.
- There are limited investment options, an uncertain ending value, and the possibility of losses.

Visit collegesavings.org for more information.

Coverdell Education Savings Accounts

As the name implies, this tax-advantaged account allows for education savings and investing. Only a parent or legal guardian is allowed to open the account and annual contribution and income limits apply.

Advantages

- Funds can be used for qualified elementary, secondary or college expenses, including tuition, room and board, books, equipment and supplies.
- Earnings are federal income tax-free when used for qualified expenses.
- Accounts offer a variety of investment options and the flexibility to change the student beneficiary as needed.

Disadvantages

- You may lose money depending on how it is invested.
- Gifts are irrevocable and considered assets of the beneficiary.
- No contributions are allowed once the beneficiary reaches age 18, and funds must be used by age 30.
- Taxes and penalties apply if funds are not used for qualified education expenses.
- Families with high income may not qualify.



EDUCATION BENEFITS AND SAVINGS

Uniform Transfer to Minors Act (UTMA) and Uniform Gift to Minors Act (UGMA) Custodial Accounts

A UTMA or UGMA is an account owned by the child but managed by parents, to help save for education and other non-education expenses.

Advantages

- The parent controls the account until the child is an adult under the state law — generally age 18 or 21.
- The assets in the accounts are not limited to education expenses, but must be used for the child's benefit.

Disadvantages

- Ownership of the account can't be changed, and the money can't be used for a different child.
- Money owned by children may have a negative effect on financial aid eligibility.

Prepaid Tuition Plans

These plans allow parents, grandparents and others to lock in future tuition benefits at current tuition rates. Participants purchase units of tuition (years, semesters or credits) at current costs for state colleges, then use them to pay for future college costs.

Advantages

- Anyone can contribute regardless of income.
- With most plans, proceeds may be transferred to another family member.
- Plans are guaranteed by state governments, and as such, are subject to state-specific rules.

Disadvantages

- They have relatively low yields.
- There is a penalty for early redemption.
- When cashed in, colleges will factor the income into the Expected Family Contribution calculation used in determining financial aid.



ENTITLEMENT TO CONTINUATION PAY

What is Continuation Pay (CP)?

- Under the Blended Retirement System (BRS), CP is a one-time, mid-career financial incentive payable to Sailors between completion of eight and 12 years of service.
- CP is in addition to any career field-specific incentives or retention bonuses.
- CP is a retention tool used to manage the size of the force.

How Much CP Will I Receive?



$$\text{Monthly Basic Pay} \times \frac{0.5^1 \text{ or } 2.5^2}{100} = \text{Gross CP} - \text{Tax Withholding}^3 = \text{Net CP}^4$$

¹ Reserve Component (RC) Sailors receive the RC amount

² Active Component (AC) and Full Time Support (FTS) Sailors receive the AC amount for CP

³ CP is eligible for Combat Zone Tax Exclusion (CZTE)

⁴ What you take home

What Must I Do to Recieve CP?



1. You must be enrolled in the BRS, agree to perform additional obligated service, and elect to receive CP before you start your 12th year of service (according to your Pay Entry Base Date).
2. Eligible Sailors receive CP in return for additional obligated service (concurrent with other service commitments). The uniformed services will determine the commitment. Please note, you will be asked to repay any unearned portion of the CP if you do not complete your additional service obligation.

How Will My CP be Paid?

You can choose to receive a one-time payment or take multiple payments to potentially save on taxes.

One Installment

Paid the first pay period after you start your 12th year of service.

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.

Four Equal Installments

First installment is paid the first pay period after you start your 12th year of service and the remainder in three equal annual installments.



Which installment plan is right for YOU?

How much will you potentially pay in taxes on your CP? Remember, CP is subject to tax withholding!

When Do I Need to Make My CP Election?

CP Eligibility Notification
180 days before you begin your 12th year of service

You **MUST** elect to receive CP **BEFORE** your 12th year of service begins

12th Year of Service Begins
You are no longer eligible to elect CP after starting your 12th year of service

CP Received
First pay period **AFTER** your 12th year of service begins



ENTITLEMENT TO CONTINUATION PAY

What Should I Do With My CP?

Your Fleet and Family Support Center (FFSC) Can Help You Plan!

The choice is yours and should be based on your current financial situation. Get a financial checkup as part of the decision-making process. You can do one or more of the following:



Pay Down Debt!

Do you have credit card debt, student loan debt, or other kinds of debt? Are you paying more in interest than you can expect from savings or investments? Pay as many debts as you can, starting with those that cost you the most in interest.

TIP: *Adding extra money to payments makes for a quicker payoff.*



Save It!

Do you have an emergency or reserve fund in a savings or money market account? Set one up...or top yours off.

TIP: *Check the annual percentage rate (APR) and terms of agreement before placing money into any account.*



Invest It!

Are you looking toward a more prosperous future? Consider putting your CP to work in your Thrift Savings Plan (TSP) account, in an IRA or in a college savings plan.

TIP: *Be aware of annual contribution limits on retirement accounts. Review your spending plan and talk to an investment professional before investing.*



Spend It!

Will your CP fund a vacation, a vehicle, a big project, or the down payment on a house?

TIP: *Before you spend your CP, review your spending plan to ensure your savings goals are on track and your debt-to-income ratio is reasonable.*



Gift It!

You can choose to gift or donate some or all of your CP. You may be eligible for a tax deduction depending on where you donate it.

TIP: *Review your spending plan to ensure your finances are in good order before you donate your CP.*

Resources:



For more information on CP, including eligibility and current pay rates, visit <https://militarypay.defense.gov>.



ENTITLEMENT TO CONTINUATION PAY

How to Elect CP

Receive Continuation Pay Eligibility Notification

Ensure email address is updated in NSIPS in order to receive email notifications. **Regardless of the NSIPS notifications, it is the Sailor's responsibility to submit a request for CP prior to reaching 12 years of service from the member's PEBD.**

This email is to inform you that you have been identified as eligible to receive Continuation Pay.

The Navy Standard Integrated Personnel System (NSIPS) indicates that you are enrolled in the Blended Retirement System (BRS) and are eligible for Continuation Pay (CP). Under BRS you may be eligible for CP at 12 years of service (YOS) based on your pay entry base date (PEBD). CP is a one-time, midcareer incentive payment in exchange for an agreement to perform four years of additional obligated service. This one-time payment is in addition to any other career field-specific incentives or retention bonuses. Important elements in determining whether you are entitled to CP are:

- a. Your eligibility to remain in the service at the time of payment.
- b. Your agreement to serve an additional four years of obligated service.
- c. If you are a reservist, your status as a member in a paid status upon completion of 12 YOS and your recommendation for retention in the Selected Reserve.

There are three CP payment options to choose from:

- a. A single lump-sum payment
- b. Two annual payments (50%, 50%)
- c. Four annual payments (25%, 25%, 25%, 25%)

CP is subject to federal and state tax. **The election to receive CP must be made in NSIPS BRS (Continuation Pay tab) and before you complete 12 YOS (based on your PEBD).** Your command is standing by to assist you with your CP election. Please make an appointment with your CCC or CFS as soon as you are ready to begin the CP election process.

If you elect to receive CP in addition to any other bonus, incentive, or special pay; your agreement to remain on active duty for four additional years may run consecutive or concurrent depending on the structure of the other contract, extension, or obligation you may have incurred. You must repay any unused portion of the CP if you do not complete four additional years of obligated service after receiving the CP.

Your CP election is considered to be effective and irrevocable on the 12th anniversary of your active or reserve duty based on your PEBD.

To learn more about CP, the DOD has an informative website that discusses BRS and more specifically CP. The site includes an interactive retirement calculator to help you decide whether to elect CP and commit to four more years in the Navy. You are encouraged to explore the website at militarypay.defense.gov/BlendedRetirement/ and discuss your alternatives with your family.

Note: The CP eligibility notification email will be sent to a member up to three times when a member is enrolled in BRS, has not made a CP election, and the current date is equal to the Service member's Pay Entry Base Date (PEBD) plus: 11 years and 6 months, and 11 years and 9 months, and 11 years and 11 months.



ENTITLEMENT TO CONTINUATION PAY

Elect Mid-Career Continuation Pay

- 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 from the dropdown menu
 - Single Lump-Sum Payment
 - Two Annual Payments (50%)
 - Four Annual Payments (25%)
- 5 Save

Note: It is recommended Sailors contact their Command Career Counselor or Command Financial Specialist if they are unsure of the amount of CP they will receive at 12 YOS.

The screenshot shows the NSIPS (Navy Standard Integrated Personnel System) interface for the Continuation Pay election. The breadcrumb trail is: Favorites > Main Menu > Employee Self Service > Retirements and Separations > Blended Retirement System. The page title is "Blended Retirement System Continuation Pay Election".

Personal information fields include: Name, Rank/Rate (EOD1), Branch/Class (11), SPI Code, DSC (100), Strength Code (1), UIC (43505), DIEMS (08/31/2005), PEBD (02/22/2006), ADSD (02/22/2006), EDLN, Primary Email, and Secondary Email.

The "Blended Retirement System Continuation Pay Election" section contains a disclaimer: "I make this election in regard to Continuation Pay. I understand that this election must be made BEFORE attaining the required years of service and that my election is effective once received and determined acceptable by my service. I understand that this decision is irrevocable once I attain the required years of service and that if I fail to complete the obligated service, the unearned portion of Continuation Pay will be recouped. I understand that an election must be made to accept a four year service obligation to receive Continuation Pay."

Callout 1 points to the "1st Day Eligible to Elect" (08/22/2017) and "Last Day Eligible to Elect" (02/21/2018) fields.

Callout 2 points to the "Continuation Pay Notification Letter" link.

Callout 3 points to the election options:

- Yes, I elect Continuation Pay and agree to serve for an additional four years of obligated service from my date of eligibility
- No, I do not elect Continuation Pay

Callout 4 points to the "Select CP Payment Option" dropdown menu, which includes:

- Single Lump-Sum Payment
- Two Annual Payments (50%)
- Four Annual Payments (25%)

Callout 5 points to the "Save" button at the bottom left.

Additional information at the bottom: "If you have questions in regard to opting into the Blended Retirement System or would like more information contact your: 1) Command Career Counselor, 2) Personal Financial Manager at Fleet and Family Service Center at http://www.cnic.navy.mil/ffr/family_readiness/fleet_and_family_support_program/personal_finances.html, 3) Counselors at Military OneSource at <http://www.militaryonesource.mil/> or call at 800-342-9647, email: MilitaryOneSource.mil. Military OneSource Personal Financial Counselors may provide a virtual extension for individual education or personal counseling"



Why Do I Need an Estate Plan?

Many people think estate planning is only for the wealthy. However, if you have children, investments, property, life insurance, a car, or any belongings, you need a plan. An estate plan helps your loved ones navigate a difficult time and provides answers to important questions such as:

- To whom do you want to pass your personal possessions and property?
- How should assets like savings, real estate, investments, and insurance proceeds be used if you are incapacitated or dead?
- Who will care for your children?
- Who will oversee your finances and health care options if you are unable to?

Basic Estate Planning Documents



- **Last will and testament** — This legal document outlines who should receive assets, act as guardian for any minor children, and name an executor to watch over the process as your wishes are carried out.
- **Power of attorney (POA)** — This legal document gives one person the authority to act on your behalf on legal or financial matters, if you become unable to handle your own affairs. You may choose between a general power of attorney or a special (limited) power of attorney.
- **Living will (advanced medical directive)** — In case of a serious injury or terminal illness, this legal document allows you to describe which medical treatments you do and do not want.
- **Medical power of attorney** — This document allows you to appoint someone to make health care decisions on your behalf, should you become incapacitated.
- **Testamentary/non-testamentary trust** — A legal document used to manage or protect assets and provide privacy, tax planning, and financial benefits for multiple beneficiaries, including children. Trusts also help to avoid the delays and costs of probate court. Those wishing to place assets in a trust are strongly advised to work with an attorney who specializes in estate planning.

Additional Documents



- **Letter of Instruction** — This is not a formal legal document, but typically outlines instructions, requests and important personal or financial information that you wouldn't typically include in your will. Use it to convey your wishes for things you hope will be done.
- **Family Care Plan** — A family care plan guides caregivers by providing important details about child care, school, medical care and family activities. Service members are required to have an official family care plan and keep it updated.
- **DD Form 93, Record of Emergency Data** — This document records your wishes about several critical issues, including the following:
 - How and to whom applicable entitlements are to be distributed if you die
 - Person Authorized to Direct Disposition (PADD) of your remains if you die
 - Next of kin to be notified in an emergency

Additional Considerations



- **Beneficiaries** — A beneficiary is a person or legal entity who will receive benefit in the event of your death. Servicemembers' Group Life Insurance, the Thrift Savings Plan (TSP), the death gratuity program, and Arrears of Pay (AOP) all require you to name a beneficiary.
- **Survivor benefits** — If you die because of an injury or illness incurred or aggravated during your service, your survivors may be entitled to benefits from the Department of Defense and the Department of Veterans Affairs (VA). They may also be entitled to Social Security benefits.
- **Funeral and burial arrangements** — Including funeral and burial arrangements in your estate plan ensures your final wishes are carried out. Your family is also eligible to receive funeral and burial benefits through the VA and Social Security Administration. Contact each of these programs for more information.

Resources:



- **Armed Forces Legal Assistance Legal Services Locator:** The legal services locator (<https://legalassistance.law.af.mil>) is an online tool for finding the nearest legal assistance office where you can consult with an attorney.
- **Defense Finance and Accounting Services:** DFAS (www.dfas.mil) administers the Survivor Benefit Plan and the Reserve Component Survivor Benefit Plan.
- **Military funeral honors:** The Department of Defense provides military funeral honors to family members of eligible veterans. More information is available at www.cem.va.gov/military_funeral_honors.asp.
- **MyPers:** Verify that your Virtual Record of Emergency Data (VRED) is up to date.
- **Servicemembers' Group Life Insurance:** Information on life insurance options, coverage amounts, costs, and more is available online at www.benefits.va.gov/insurance. SGLI/FSGLI updates can be made online via the SGLI Online Enrollment System (SOES). To access SOES, sign in at <https://milconnect.dmdc.osd.mil/milconnect/> and go to the "Benefits" tab, Life Insurance, and SOES-SGLI Online Enrollment System.
- **Thrift Savings Plan (TSP):** Verify that designated beneficiaries of your TSP account are current. Changing beneficiaries (or proportions of TSP allotted to them) requires submission of Form TSP-3. See tsp.gov/PlanParticipation/AccountManagement/beneficiaries.html and <https://www.tsp.gov/forms/tsp-3.pdf>.
- **VA survivor benefits:** The VA survivors' benefits website (va.gov/opa/persona/dependent_survivor.asp) outlines the benefits provided to survivors of Service members and veterans who are deceased or totally and permanently disabled by a service-connected disability.
- **Direct Access (Coast Guard):** Verify emergency data is up to date.



ESTIMATED TRAVEL COSTS FOR A PCS MOVE

PCS Move Costs

A PCS move requires a lot of planning which includes creating a spending plan. Your type of move, family size, planned route, method of travel, and “extras” will all impact your total costs and the amount you will pay out of pocket. Completing the calculations below will help you plan and hopefully avoid surprises.



Driving Costs

Allow an average of \$25 per 100 miles (\$0.25 per mile) for fuel and maintenance.

Step 1. $\frac{\text{Total Miles}}{\text{Total Miles}} \times \$0.25 = \$ \text{Mileage Cost}$

Step 2. $\$ \text{Mileage Cost} + \$ \text{Expected Tolls} = \$ \text{Total Driving Costs}$

Overnight Accommodations

Assuming 350 miles of travel per day, estimate daily hotel costs using \$120 per night (plus \$20 per night for pets).

Step 1. $\frac{\text{Total Miles}}{\text{Total Miles}} \div 350 \text{ miles} = \text{\# of Travel Days}$

Step 2. $\text{\# of Travel Days} \times \$ \text{Room Cost per Night} = \$ \text{Total Accommodation Costs}$



Food and Other Costs

Plan on food costs of \$50 per person per day.

Step 1. $\frac{\text{\# of People}}{\text{\# of People}} \times \frac{\text{\# of Days}}{\text{\# of Days}} \times \$50 = \$ \text{Food Costs}$

Step 2. $\$ \text{Food Costs} + \$ \text{Extras (souvenirs, tickets, etc.)} = \$ \text{Total Food/Other Costs}$

$\$ \text{Total Driving Costs} + \$ \text{Total Accommodation Costs} + \$ \text{Total Food/Other Costs} = \$ \text{TOTAL}$

Estimated Reimbursements

- Reimbursements include mileage and per diem allowances and are based on whether you are traveling with or without dependents or with other travelers.
- Reimbursements may not cover all costs but save all receipts, just in case.
- The administrative officer at your new duty station will decide whether the regulations permit reimbursement of certain items and how much is paid.



Create Your Spending Plan

To create your PCS spending plan, subtract your total estimated expenses (B) from your total estimated inflows (A).



A. Estimated Cash Inflows

Amount

- 1. Travel allowance (MALT)* _____
- 2. Per diem* _____
- 3. Dependent's per diem* _____
- 4. Advance pay _____
- 5. Dislocation Allowance (DLA)* _____
- 6. Temporary Lodging (TLA/TLE)* _____
- 7. Proceeds from selling items you are not transferring _____
- 8. Refund of security deposit _____
- 9. Refund of utility deposit _____
- 10. Overseas allowances _____

*See Glossary on page 2 for definition.

Total Move-Related Cash Inflows (A) _____



B. Estimated Expenses

Cost

EXPENSES BEFORE YOUR MOVE

- 1. House-hunting expenses _____
- 2. Fees to disconnect major appliances and services _____
- 3. Cleaning costs for vacated quarters/housing _____
- 4. Costs to dismantle outdoor furniture or play equipment _____
- 5. Fees to board and/or ship pets _____
- 6. Shipping costs for a boat or ATV(s) _____
- 7. Costs to ship or tow a vehicle(s) _____
- 8. Fees to ship items not authorized for shipping at government expense _____
- 9. Supplemental insurance costs for shipping or storing personal property _____
- 10. Costs for exceeding weight allowance (may be charged after move) _____
- 11. Preparing your vehicle(s) for travel _____
- 12. Expenses related to shipping vehicles overseas:
 - a. Ensure the engine, wipers, brakes, etc., are in good working order _____
 - b. Ready the vehicle for any specific requirements at the new location _____
 - c. Prepare the vehicle for shipping and/or storage _____
 - d. Move to port of shipment and return fare _____
- 13. Going away party or hail and farewell _____
- 14. Passport and visas _____

Subtotal (B) _____



FINANCIAL PLANNING WORKSHEET FOR A PCS MOVE

B. Estimated Expenses (continued)

Cost

EXPENSES IN TRANSIT

- 15. Driving expenses
- 16. Lodging costs
- 17. Food and miscellaneous expenses
- 18. Sightseeing or recreation

EXPENSES AT NEW DUTY STATION

- 19. Repayment of advance pay (if applicable)
- 20. Housing security deposit
- 21. Storage fees
- 22. Utility deposits (e.g. phone, electricity, gas, water)
- 23. Costs to restock food and cleaning supplies
- 24. Laundromat costs until household goods arrive
- 25. Local transportation until vehicle arrives
- 26. Replacing household goods not shipped or purchasing items needed at new home
- 27. Clothing costs to accommodate a different climate
- 28. Additional child care costs
- 29. Auto inspection fees, registration, or updating drivers license address expenses (as applicable)

Subtotal (C)

Total Estimated Inflows (A)

Total Estimated Expenses (B+C)

Total Estimated Out of Pocket

Glossary

Mileage and Monetary Allowance in Lieu of Transportation (MALT) — Mileage reimbursement for Service members and their dependents making a CONUS move.

Per Diem — A daily allotment to reimburse Service members for the out-of-pocket cost of food, lodging and incidental expenses that occur while on military business or temporary assigned duty away from their home station.

Dislocation Allowance (DLA) — An allowance intended to partially reimburse a Service member for expenses incurred to relocate household goods during a PCS move.

Temporary Lodging Expense/Allotment (TLE) (TLA) — An allowance that partially reimburses a Service member for lodging and meal expenses while staying in temporary lodging during a PCS. TLE is intended for CONUS moves and TLA is for OCONUS moves.



FINANCIAL VALUES

Instructions

What you consider to be a luxury, your spouse or partner may consider a necessity, and vice versa. This exercise is designed to get you thinking and talking about financial values in terms of goods and services that are important to you both.

In the space next to the items listed below, use one of the following terms to rate each item:

1. Necessary

2. Very Useful

3. Desirable

4. Luxury

5. Not Desirable

Respond with your true feelings and not as you think you are supposed to respond. Do not consult with your partner when completing the worksheet. Compare results and discuss significant differences.



Financial Planning:

- ___ Emergency savings account
- ___ Retirement savings
- ___ Additional investments (non-retirement)
- ___ Debt elimination
- ___ Extra expenses when spouse is deployed
- ___ Additional life insurance
- ___ Credit cards
- ___ College education for children
- ___ Additional education



Entertainment:

- ___ Dining out
- ___ Hobbies
- ___ Going to the movies
- ___ Event tickets
- ___ Health club membership
- ___ Sports equipment (golf clubs, home gym, etc.)
- ___ Latest gaming system
- ___ Upgraded TV (home entertainment system)
- ___ Online and mobile subscriptions



Major Purchases:

- ___ Home ownership
- ___ Annual vacation
- ___ Family car / truck / SUV
- ___ Boat / RV / ATV
- ___ Live off base
- ___ Swimming pool



Family / Personal:

- ___ Visits to family
- ___ Charitable donations or tithing
- ___ Extra money for R&R while deployed
- ___ Personal care (hairstylist / nails)
- ___ Clothes shopping
- ___ Latest smartphone

Note: Couples facing relationship stress due to differing financial values may wish to discuss their responses with a Personal Financial Counselor/Educator (PFC/E) to help get on the same page and discuss priorities.



Financial Problems?

Service members can sometimes face financial challenges due to their age and certain aspects of a military lifestyle. For instance, they tend to move away from home and their support system at a younger age than the general population. Additionally, deployments, frequent moves, the high cost of living at some military locations, and difficulties maintaining spouse employment can make things harder financially. Easy access to credit at a young age — without an understanding of how to manage it — can also factor into financial problems.

Warning Signs and Consequences

Leaders and Service members could be at risk for financial problems if experiencing any of the issues below. A meeting with a Command Financial Specialist (CFS) or Personal Financial Manager (PFM) can help create a plan to address issues before things get out of hand.

Warning Signs



- Can't pay all bills
- Can no longer afford vehicle(s)
- Bouncing checks
- Experiencing spouse job loss
- Going through divorce / separation
- Regularly runs out of money
- Doesn't have an emergency fund
- Has excessive debt
- Facing foreclosure
- Can't sell a home
- Not saving or investing

Consequences

Financial

- Overdraft fees
- Credit denials
- Bad credit report
- Low credit score
- Repossession
- Foreclosure
- Bankruptcy

Military

- Negative evaluations
- Loss of promotion
- Loss of overseas transfer
- Loss of security clearance
- Reduction in rank
- Nonjudicial Punishment (NJP)
- Administrative discharge

Where to Turn

Fortunately, resources are available to help improve personal financial management and overcome financial challenges:

- 1. Command Financial Specialist (CFS)** — A first-line-of-defense peer who's trained to meet you where you are and provide guidance to help you overcome financial issues.
- 2. Personal Financial Manager (PFM)** — A professional counselor/educator at your installation's Family Support Center who provides FREE, confidential financial counseling, education, information, and referrals. They can assist with a number of issues including setting financial goals, creating spending plans, assisting with major purchases, and dealing with debt or credit concerns.
- 3. Military Relief Societies** — These nonprofit organizations can provide interest-free loans and educational assistance to Service members, eligible family members, and survivors in need.

Visit the links below for more information:



Navy-Marine Corps Relief Society: www.nmcrs.org

Air Force Aid Society: www.afas.org

Army Emergency Relief: www.aerhq.org

Coast Guard Mutual Assistance: www.cgmahq.org



5 RULES OF BUYING A HOUSE

Buying a house can be a great way to build wealth and feel like part of the community. But it's also a huge financial decision with far-reaching implications. Here are five rules that can help you avoid common pitfalls. Following these rules doesn't guarantee financial success nor does breaking them necessarily doom you to a life of financial woe. Still, it probably won't hurt to keep them in mind as you look for a new house.

Rule 5: Save for Move-in Expenses

Create a separate "make it mine" account to cover the expenses of decorating and personalizing the house so it's your home when you move in.

Rule 4: Get Preapproved

Once you have your finances in order and you know how much you can afford, get preapproved before you start shopping. This shows you are a serious buyer and helps keep you from buying more house than you can afford. The type of loan you choose may also influence things like down payments, pre-purchase inspections, and additional insurances. Service members should research a VA home loan, which typically allows a lender to provide you with more favorable terms.

Rule 3: Know How Much You Can Afford

Once you have a good handle on how much you can budget per month for housing costs, consider using a mortgage calculator to help estimate how much home you can afford. Don't forget to include the property taxes, insurance, homeowners association fees, and repairs mentioned before. You may even want to consider the cost of additional life and liability insurance to help protect your purchase.

This is also a good time to start researching loan options to determine if you will need to make a down payment. If saving up a down payment is difficult, that could be a sign now is not the right time for you to make such a large purchase.

Rule 2: Review Your Spending Plan

Homebuying doesn't just mean swapping a rent payment for a mortgage payment. There are a lot of additional ongoing expenses to consider like real estate taxes, homeowners insurance, and maintenance. Review your spending plan to know exactly where your money is currently going, so you can budget for the costs associated with a new house. A good guide is to limit your housing expenses to 25% of gross income or your Basic Allowance for Housing (BAH).

Rule 1: Prepare Your Finances

Buying a home will probably be the most expensive purchase you will ever make, so get your finances in order, first. Start by checking your credit report at www.annualcreditreport.com and make sure all the information is accurate. It's also a good idea to reduce high interest debt and set aside money for emergencies. A good goal is to save 3 to 6 months' worth of your committed expenses.



MAJOR PURCHASES

A Lot to Consider

What do you consider to be a major purchase? A new car, truck or motorcycle? A home? A new gaming system? In truth, any of these could be a major purchase depending on your financial situation at the time you buy it.

A major purchase is a big decision, but it does not have to be a big deal if you have your financial house in order. Consider how this purchase fits into the rest of your financial situation, including your goals for the future.

Be Smart

Spending on a major purchase doesn't mean you have to risk your financial future in the process. It is possible to buy big-ticket items and still be smart about it.



Think First

Stop major purchases from becoming major problems.

- **Use logic over emotion.** Be smart; don't let fancy marketing suck you in.
- **Consider additional costs.** What else will you have to pay? Consider associated costs like maintenance, repairs and insurance.
- **Picture your future.** Your life may be completely different in a year or two. Will your major purchase make sense then, or will you regret it? For example, it may not make sense to buy a car if you will not be able to take it with you to your next duty station.
- **Shop around.** Do research and find the best option that meets your budget and needs. Shopping around forces you to slow down. Use this time to review your spending plan to ensure you can cover the purchase plus any additional costs.
- **Decide: Cash or credit?** Using cash is often smarter than using credit. However, avoid taking cash from your emergency fund to pay for a major purchase. Experts recommend keeping 3-6 months of living expenses set aside for emergencies.



Avoid Trouble

- **Want or need?** Be honest when you ask yourself if this purchase is absolutely necessary. For example, you may legitimately need a car, but you probably don't need the most expensive one available. You should be just as excited about making a smart purchase as you are about what you want to buy. If not, you could be headed for trouble.
- **Wait.** One of the best ways to bypass an emotional buying decision is to implement a cooling-off period before you pull the trigger. Sleep on it, maybe for a couple of days, and see if it still seems like a good move.
- **Ask someone else.** Talk with a trusted friend or family member and ask them to be a sounding board regarding your major purchase. Just be sure to find a helper and not an enabler.
- **Too good to be true?** Things that seem wonderful on the surface can sometimes include hidden costs or contractual obligations. Make sure you read the fine print and understand all of your short- and long-term responsibilities when making any major purchase.



MAJOR PURCHASES

Buying a Vehicle

Most vehicles decline in value rather quickly, making it easy to owe more than the vehicle is worth.

Assess Your Needs

It's easy to rationalize that you need more in a vehicle than you really do, but resist that urge. Consider your personal situation. Will you PCS or deploy anytime soon? Will your household income be decreasing for any reason? A lot can change over a few years, so it is important to think about your purchase not only in terms of whether you can afford the vehicle today, but also whether you will be able to afford it in the future.



	Potential Upside	Potential Downside
Buying a New Vehicle	<ul style="list-style-type: none"> • Lower loan interest rates • Latest safety features and technology • New warranty • Less maintenance 	<ul style="list-style-type: none"> • Higher payment • Rapid depreciation • Longer commitment • Higher insurance premiums
Buying a Used Vehicle	<ul style="list-style-type: none"> • More affordable • Less depreciation • Lower registration and licensing fees • Lower insurance premiums 	<ul style="list-style-type: none"> • Higher interest rates • Higher maintenance and repair costs • Limited warranty
Leasing a Vehicle	<ul style="list-style-type: none"> • Lower payments • Lower maintenance costs 	<ul style="list-style-type: none"> • No ownership • More expensive in the long term

Identify Your Priorities

- **Price** — Rebates, discounts, option package discounts, trade-ins, available financing
- **Affordability** — Monthly payments, fuel, insurance, maintenance, repairs, taxes, registration, license fees – it's not just the loan payment
- **Resale Value** — Future marketability: automatic transmission, air conditioning, leather upholstery, anti-theft system, safety features, other accessories
- **Gas Mileage** — EPA estimates, engine size, transmission, air conditioning, load capacity, road conditions, driving habits, advantages and disadvantages of hybrids
- **Safety** — Crashworthiness, safety ratings, safety features



How Much Can You Afford?

Evaluate your spending plan and determine how you will pay for your vehicle. If you don't have a spending plan, now is a great time to set one up. To avoid interest costs, try to save up and pay in cash. If that isn't feasible, you may need to get a loan. Like credit cards, vehicle loans vary depending on many factors including the lender and your credit score. When shopping for a loan, compare the following:

- **Annual percentage rate (APR)** — the rate of interest you will pay per year
- **Loan term (or length)** — the period of time you have to pay the loan in full
 - Longer-term loans generally have higher interest rates and lower monthly payments
 - Shorter-term loans may have lower interest rates and higher monthly payments
- **Prepayment penalties** — a fee for paying the loan in full before the due date
- **Lender's reputation** — service reputation and financial strength of the lender



MAJOR PURCHASES

Vehicle Loan Debt Multiplier

It can be tempting to commit to a longer loan term to keep your payments down, but be sure to compare the total amount of interest over the entire life of the loan before deciding. Remember, you typically pay more in total interest when you select a loan with a longer term. Be sure to ask questions and read the contract carefully before you sign. It's usually a good idea to keep auto loans five years or less.

Interest Rate	Length	Payments	Loan Amount	Total Interest Paid
6% APR	3 Years	\$456 x 36	\$15,000 + \$1,428	\$16,428
	4 Years	\$352 x 48	\$15,000 + \$1,909	\$16,909
	5 Years	\$290 x 60	\$15,000 + \$2,400	\$17,400

Interest Rate	Length	Payments	Loan Amount	Total Interest Paid
10% APR	3 Years	\$484 x 36	\$15,000 + \$2,424	\$17,424
	4 Years	\$380 x 48	\$15,000 + \$3,261	\$18,261
	5 Years	\$319 x 60	\$15,000 + \$4,122	\$19,122

Summary

You will likely make many major purchases throughout your life. But remember, you don't have to risk your financial future if your financial house is in order.

- Plan ahead and take the time to carefully consider your purchase.
- Honestly evaluate your needs and budget.
- Educate yourself so you can make prudent financing decisions.

The decisions you make today can make a big difference for your financial future.



MILITARY BANKING

Overview

Choosing a bank or credit union is a matter of personal preference. However, it's also important to select a financial institution that can meet the unique needs of military life, like frequent moves and deployments. Switching banks or credit unions can be disruptive and time consuming, so it's important to select one that meets your needs and keeps you on track throughout your military service.

Banking Basics

Banks



- For-profit institutions
- Tend to be larger than credit unions and offer a wide variety of services
- Generally charge higher interest rates on loans than credit unions and pay lower interest on deposit accounts

Credit Unions

- Nonprofit institutions
- Members are required to be a part of a specific group for eligibility
- Tend to be smaller than banks and may not offer as many services as a result
- Generally charge lower interest rates on loans than banks and pay higher interest on deposit accounts

Things to Consider

- **Convenience** — Are ATMs and branch locations easily accessible?
- **Fees** — What charges are associated with the type of banking you plan to do?
- **Deposits** — What interest rate is paid to you for the deposits?
- **Balances** — Are there minimum balance requirements?
- **Special Programs** — Are there any special services for Service members?
- **Mobile Services** — What mobile applications and online services are available?

Account Types



- Checking
- Savings
- Money Market
- Certificates of Deposit
- Loans
- Credit cards

Services

- Interest on deposits
- Automated Teller Machines (ATMs)
- Online and mobile banking
- Cashier's checks
- Deposit insurance
- Overdraft protection
- Automatic and web bill pay
- Wire and Electronic Funds Transfer

Banking Fees

See below for a few common banking fees. Please note, additional fees and charges may apply.

- ATM withdrawal fees
- Overdraft or non-sufficient funds (NSF) fees
- Loan interest and origination fees
- Monthly service charges
- Low or minimum balance fees
- Usage fees
- Online banking



MILITARY BANKING

Online and Mobile Banking

While conducting financial transactions online is common and convenient, be aware of potential risks including theft and fraud. You can reduce some of this risk by safeguarding your personal data and account information. Avoid public computers and unsecured WiFi access points. Also, regularly update your device’s software and ensure the security settings are up to date. Review your accounts often for unauthorized transactions.

Credit and Debit Cards

Credit cards allow you to borrow money, up to a certain limit, to purchase goods or services. They can be a great tool. They can also get you into trouble if misused. Interest charges are typically high and are added to your balance, making it difficult to get ahead. You should strive to pay your entire balance each month.

Debit cards withdraw funds directly from your checking or savings account. Because of this, you’ll need to track your account balance to make sure you have enough money in the account to cover your spending. You should also take care to protect your debit card because if it’s stolen your entire account balance can be at risk until the situation is remedied by your financial institution.

Account Statements

Bank statements provide a lot of information. If you write checks, you’ll want to compare your statement to your check registry, to make sure they match. The same applies for debit card purchases and transactions. Be sure to reconcile your transactions to you account activity. Also, when writing checks, remember that it may take some time for the money to be deducted from your account. Mistakes can happen, so be vigilant as you review your accounts. If you find an error, contact your financial institution immediately. As you work to resolve the issue, keep a record of your communications including names, dates and details of the interactions.

Some of the common errors you may encounter include:

- Check amounts do not match your registry
- Unauthorized withdrawals and charges
- Math errors
- Incorrect transaction dates
- Incorrect fees

Additional Resources:



Contact your financial institution first if there is an issue with your account. If the issue does not get resolved, seek additional assistance from the following resources:

Office of the Comptroller
of the Currency (OCC)
www.HelpWithMyBank.gov
(800) 613-6743

National Credit Union
Administration (NCUA)
www.ncua.gov or
www.mycreditunion.gov

Federal Trade Commission (FTC)
www.consumer.ftc.gov



MILITARY CONSUMER PROTECTION

Guard Your Identity and Know Your Rights

Achieving financial security includes protecting your identity and knowing your rights as a member of the military under the Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA). These two programs provide lending protections to help Service members avoid common pitfalls and focus on their mission while on active duty. Your legal office is available to help.

Identity Theft

Identity theft occurs when someone steals an individual’s personal information and uses it without his or her permission to open fraudulent accounts and makes unauthorized purchases. Identity theft is a serious problem that can ruin a person’s credit and good name and can take significant time, effort and money to resolve.

Warning Signs of Identity Theft:



- Missing bills
- Unauthorized accounts on credit reports
- Unsolicited credit cards or bills
- Credit denial

Ways to Defend Against Identify Theft:

- Safeguard mail
- Secure wallet or purse
- Save receipts
- Review account statements
- Shred documents
- Notify creditors of address updates
- Check credit reports regularly at www.annualcreditreport.com
- Place active-duty alerts or security freezes on credit reports prior to deployment

Resources: TransUnion 1-800-680-7289, Experian 1-888-397-3742, Equifax 1-800-525-6285, Federal Trade Commission (FTC) 1-877-ID-Theft or www.consumer.gov, or Military Consumer www.militaryconsumer.gov

The Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA) are programs that provide certain protections in lending for Service members who are called to Active Duty.

Servicemembers Civil Relief Act

Who’s Protected:

- Active-duty Service members
- Members of the Reserves and National Guard (when on active Title 10 federal service for more than 30 consecutive days)
- SCRA (for all) begins on the first day of active duty, which includes basic or occupational training.

Legal Protections:

When requirements are met, the rights and protections include: ability to terminate cell phone, cable and internet contracts; termination of residential and auto leases; postponement of foreclosures and evictions; installment contract protection; 6% interest rate cap on debts incurred before active duty; stay of certain civil court proceedings; delay of enforcement related to certain taxes, including personal and real property taxes; life insurance coverage protections.

Military Lending Act

Who’s Protected:

- Active-duty Service members
- Members of the Reserves and National Guard (when on active Title 10 federal service for more than 30 consecutive days)
- Covered dependents

Legal Protections:

When requirements are met, rights and protections include: 36% interest rate cap on most types of consumer loans; no mandatory waivers of consumer protection laws; no mandatory allotments; no prepayment penalty.

For more information about the SCRA visit www.militaryonesource.mil and search the keyword “SCRA” and for MLA visit www.consumerfinance.gov.



MILITARY RETIREMENT

Planning for Retirement

The military offers great retirement benefits, including the Thrift Savings Plan (TSP) and a pension if you serve long enough. The exact benefit you'll receive from each of these programs depends on whether you're covered under the Legacy (also called the "High-3") or Blended Retirement System.

The Legacy "High-3" Retirement System

Key Features:

- For Service members who first entered active duty after September 8, 1980, but before January 1, 2018
- Typically requires 20 years of active-duty service to qualify for retirement pay (pension). Reserve members must complete 20 qualifying years and attain age 60 (or earlier based on qualifying active service).
- The TSP is available and is funded only by Service member contributions.

Calculating the Monthly Pension:

$$2.5\% \times \text{Years Served} \times \text{Retired Pay Base}$$

Examples:

- Enlisted: $2.5\% \times 20 \times \$4,900 = \$2,450$ per month
- Officer: $2.5\% \times 20 \times \$9,400 = \$4,700$ per month

**Reserve members divide accumulated retirement points by 360 for "Years Served."*

Blended Retirement System (BRS)

Key Features:

- For Service members who first entered active duty after January 1, 2018, or opted into BRS
- Typically requires 20 years of active-duty service to qualify for retirement pay (pension). Reserve members must complete 20 qualifying years and attain age 60 (or earlier based on qualifying active service).
- The TSP is available and is funded by Service member contributions plus automatic and potential matching contributions from your military branch.
- Offers Continuation Pay and a lump-sum option

Calculating the Monthly Pension:

$$2.0\% \times \text{Years Served} \times \text{Retired Pay Base}$$

Examples:

- Enlisted: $2.0\% \times 20 \times \$4,900 = \$1,960$ per month
- Officer: $2.0\% \times 20 \times \$9,400 = \$3,760$ per month

**Reserve members divide accumulated retirement points by 360 for "Years Served."*

Survivor Benefits

Once qualified, you will receive retirement pay for life. The amount is periodically adjusted to the cost-of-living index. Upon your death, your spouse or other eligible beneficiary(ies) may receive payments only if you arrange it through the Survivor Benefit Plan (SBP) before you retire.



MILITARY RETIREMENT

Four Unique Elements of BRS

1. Branch of Service Contributions to the Thrift Savings Plan

The TSP is a defined contribution plan, like a civilian 401(k). For BRS participants, it is funded with a combination of Service member contributions plus automatic and potential matching contributions from your military branch.

- **Automatic Contributions:** Your branch of service automatically contributes the equivalent of 1% of your basic pay to your TSP account each pay period beginning after 60 days of service. Automatic contributions vest (meaning the money is yours to take with you when you leave the military) after two years of service.
- **Matching Contributions:** After two years of service, your military branch will begin matching your contributions to the TSP as outlined in the chart below. Matching contributions vest immediately.

You put in:	Your service puts in:		Total contribution:
	Automatic (1%) Contribution	Service Matching Contribution	
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%
More than 5%	1%	4%	Your contribution + 5%

2. Automatic TSP Enrollment

As of October 1, 2020, all BRS participants are automatically enrolled in the TSP at a 5% contribution level. Service members are permitted to reduce or increase this contribution amount. The maximum annual contribution, known as the IRS Elective Deferral Limit, is \$19,500 in 2020. Those deployed to a combat zone are permitted to contribute substantially more: up to \$57,000. An additional catch-up contribution up to \$6,500 is also permitted for those age 50 and older. Service member contributions are always vested immediately.

3. Continuation Pay

Continuation Pay is a one-time, mid-career payment in exchange for additional service. Depending on the needs of your branch of service, it can be 2.5 to 13 times your monthly basic pay for active duty or 0.5 to 6 times your monthly basic pay (as if on active duty) for Reserve members. This one-time payment is in addition to any other career field-specific incentives or retention bonuses.

4. Lump-Sum Option

The lump-sum option gives you choices at retirement. You can choose to receive a 25% or 50% discounted portion of your monthly pension benefit in exchange for a lump-sum payment at retirement. Your pension reverts to the entire amount at the Social Security age of full retirement, which for most is 67. You must notify your human resources servicing office no less than 90 days before retirement if you choose to take the lump-sum option.



MY RATING AS A MONEY MANAGER

Instructions

Select the response from column A, B, or C that best reflects your present experience with personal financial management. When you have answered all questions, review your answers and discuss them with your spouse or partner. Where do you match? Where are you different and what might you need to discuss?

Experience	A	B	C
1. I have a joint checking account with my spouse.	no	undecided	yes
2. I have a joint savings account with my spouse.	no	undecided	yes
3. I review the balance of my checking account regularly.	never	sometimes	usually
4. I run out of money before the end of the month.	never	sometimes	usually
5. I don't know where my money goes each month.	never	sometimes	usually
6. I worry about money.	never	sometimes	always
7. I have been denied credit.	never	once	more than once
8. I have credit card / consumer debt.	too much	some	little to none
9. I spend more than I plan to.	never	sometimes	usually
10. I can afford what I want.	never	sometimes	usually
11. I regret what I buy.	rarely	sometimes	usually
12. I save regularly.	never	sometimes	usually
13. My spouse thinks I'm a _____.	big spender	cautious spender	saver
14. I think I'm a _____.	big spender	cautious spender	saver
15. Lack of money is a problem.	never	sometimes	usually
16. I buy on impulse.	never	sometimes	usually
17. I make planned purchases.	never	sometimes	usually
18. I have to juggle payments to my creditors.	never	sometimes	usually
19. There are things I want that I will _____ get.	never	possibly	definitely
20. I would go into debt to take a vacation.	never	sometimes	usually
21. I review my net worth.	never	rarely	anually
22. I count on future raises or bonuses to pay some of my bills.	never	sometimes	always
23. I make payments before I have the funds to cover them.	never	sometimes	usually
24. I estimate my expenses well.	never	sometimes	usually
25. My monthly rent or mortgage payments are _____ of my monthly after-tax income.	less than 25%	25%	more than 25%



PAYING OFF STUDENT LOANS

Student Loans and Your Financial Future

Student loans can consume a big portion of your spending plan, so many Service members want to pay them off as soon as possible. This handout will cover the basics of student loans, common strategies to pay off your loans, and provide you with helpful resources if you need additional assistance.

Student Loans 101

There are two major categories of student loans — federal and private. Federal student loans are provided by the government, and often distributed through the school or college's financial aid office. Private loans, on the other hand, are offered by banks, credit unions, and other financial institutions to help pay for college. Generally, private loans tend to be more expensive and have less flexibility in repayment than federal loans. You will have to pay back the money you borrow plus interest for either type of loan. Follow the steps below to get started.

Determine Debt Balance: The first step to managing your student loan debt is to know where you stand. Frequent moves, address changes, variable due dates, and passage of time can make it challenging to keep track of your outstanding loans. It is critical to know how much you owe and to whom to stay on top of repayment.

Identify Loan Servicers: It is possible that you have multiple loans, potentially assigned to different servicers whose job it is to collect payments from borrowers. Servicers could include schools attended, banks and other lenders, or private companies. Make sure you know your loan servicers and have their contact information. If you need help identifying your loan servicers, request a copy of your credit report to identify reporting loans. It is also important to know whether you have federal or private student loans.

Build a Spending Plan: Know your overall financial situation and how your student loan debt fits into the picture. Evaluate your spending so you know how much money is coming in and going out, and adjust your plan as needed.

Management Strategies

Review the strategies and programs described below to help manage and pay off your student loans.

Be Smart About Payments

The standard student loan term is 120 equal monthly payments (10 years). Many Service members want to pay off student loans as soon as possible and may pay more than the minimum monthly payment. Talk with your loan servicer before changing your payment amount. Delinquency and default can have negative consequences on your credit score, housing options, and employability. Consider setting up your student loan for automatic payment from your bank account. This will help ensure your payments are made on time.

Understand Repayment and Forgiveness Programs

Servicemembers Civil Relief Act (SCRA):

- This act requires lenders to cap the interest rate of all pre-service debt at 6% while the Service member is on active duty; Reserve members eligible
- Includes federal and private student loans, consumer loans, and credit cards



PAYING OFF STUDENT LOANS

Understand Repayment and Forgiveness Programs *(continued)*

College Loan Repayment Program (CLRP):

- Program for enlisted Service and Reserve members
- Service branch will repay up to \$10,000 for student loans incurred before enlistment
- Terms and conditions listed in original enlistment contract

Public Service Loan Forgiveness:

- Must be employed full time in qualifying government or nonprofit public service organization and make 120 qualifying payments (10 years) after October 1, 2007
- Balance of your federal Direct Loans may be forgiven
- Must submit employment certification for Public Service Loan Forgiveness to determine eligibility

0% Interest During Deployment:

- Service and Reserve members may be eligible to have their student loan interest rate reduced to 0% while serving in hostile area
- Up to 60 months with required documentation

Evaluate Repayment Options

Graduated Repayment

- Borrower pays less in early years of repayment and more later as they become more financially established
- Ten-year term with cost of borrowing higher than a standard repayment plan

Extended Repayment

- Payment term extended up to 25 years, must owe more than \$30,000 for consideration
- Payment is reduced but total cost is much higher due to interest

Payment Reduction

- Income-driven plan; differs by loan program, conditions, and payment schedule
- Two options: Revised Pay As You Earn Plan (REPAYE) and the Pay As You Earn Plan (PAYE)
- Monthly payment equals 10% of borrower's discretionary income; 20- to 25-year term

Consolidation Loans

- Combines student loans into a single payment to one servicer and can only consolidate once
- Usually a little higher interest rate and term can be extended up to 30 years
- Financial experts advise against consolidating federal and private student loans together into a private loan because there is a loss of federal protections, repayment and forgiveness options

Understand Options for Delaying Repayment

If you are having difficulty making your student loan payments, you may need to consider a loan deferment or forbearance. It is important to know that interest will continue to accrue on your student loans and delaying repayment could cost you more money long term.

Loan Deferment:

- Payments may be suspended up to three years if certain conditions are met
- Reasons could include financial hardship, active-duty military service, or continued education
- Loan servicer determines necessary documentation

Forbearance:

- Suspension of payments due to exhausted deferment options or borrower doesn't qualify for deferment



PAYING OFF STUDENT LOANS

You should be aware of all your options and of the consequences before selecting a repayment option or loan consolidation. Contact your loan servicer or private loan lender to discuss which option is best for your situation. The Federal Student Aid website (studentaid.ed.gov/sa/repay-loans) contains detailed information about repayment and consolidation loan options for federal student loans.

Resources:



- Consumer Financial Protection Bureau (CFPB):
consumerfinance.gov/paying-for-college/repay-student-debt
- Federal Direct Consolidation Loan:
studentaid.ed.gov/sa/repay-loans/consolidation#page
- Federal Student Loan Repayment Estimator:
studentaid.gov/loan-simulator/
- Federal Student Aid Repayment Options:
studentaid.ed.gov/sa/repay-loans
- Federal Student Aid Ombudsman:
studentaid.ed.gov/sa/repay-loans/disputes/prepare
- Public Service Loan Forgiveness (PSLF) Program:
studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service
- U.S. Department of Education Loan Default Resolution Group:
<https://myeddebt.ed.gov>



Consumer Complaints

Dealing with a defective product or poor customer service can be frustrating and costly. When this happens, you may decide to make a complaint. To complain effectively, start by determining what you want to achieve and be prepared to validate your complaint with all purchase-related paperwork including copies of receipts, estimates, repair orders, warranties, bank statements, and any correspondence from the company. If you have an issue:

1. Contact the business. Start with the salesperson you dealt with or the manager. Clearly and calmly describe the problem and the action you would like them to take. Document their response or correspondence in writing.
2. Contact the company president or a representative of the manufacturer. Use the Sample Complaint Letter below as a guide and send your letter by certified mail, return receipt requested.
3. Contact industry trade associations.
4. Contact local and state consumer advocates. Use the resource list on the next page for consumer protection contacts.

See your Command Financial Specialists (CFS) or Personal Financial Manager (PFM) for guidance.



Describe the purchase. Include the name of product and serial number. Include the date and place of purchase.

State the problem. Give the history.

Ask for specific actions. Include copies of documents.

Allow time for action. State how you can be reached.

Keep copies of all of your letters, faxes, emails and related documents.

Your Address
Your City, State, Zip
Date

Name of Contact Person, if available
Title, if available
Company Name
Consumer Complaint Division (if you have no specific contact)
Street Address
City, State, Zip Code

Dear (Contact Person),

Re: (Account Number, if applicable)

On (date), I (bought, leased, rented or had repaired) a (name of product with serial or model number or service performed) at (location and other important details of the transaction).

Unfortunately, your product (or service) has not performed well (or the service was inadequate) because (state the problem). I am disappointed because (explain the problem: for example, the part does not work properly, the service was not performed correctly, I was billed the wrong amount, something was not disclosed clearly or misrepresented, etc.).

To resolve the problem, I would appreciate (state the specific action you want – money back, a refund of my purchase, you repair my item, an exchange for working item, etc.). Enclosed are copies (do not send originals) of my records (include receipts, guarantees, warranties, canceled checks, contracts, model and serial numbers and any other documents).

I look forward to your reply and resolution of my problem within [x] days.

Sincerely,
(Your Name)

Enclosure(s)



GET YOUR NAME OFF SOLICITATION LISTS



Type of Solicitation	Contact	Other Information
Phone calls	National Do Not Call Registry donotcall.gov or 1-888-382-1222	You can file a complaint about telemarketing calls after your number has been on the list for 31 days.
Junk mail and email	Direct Marketing Association DMAchoice.org	Included at this site, for a nominal fee: <ul style="list-style-type: none"> • Credit offers • Magazine offers • Email preference service • Catalogs • Other mail offers
Credit or insurance offers	optoutprescreen.com	The official credit reporting industry website to accept and process requests from consumers to opt in or out of credit and insurance offers.



How to File a Complaint About a Sales Call

If you believe a sales call is in violation of a law and want to file a complaint, you can use one of the following sites:

- Federal Trade Commission: ftccomplaintassistant.gov
- Federal Communications Commission: fcc.gov/complaints or 1-888-225-5322
- National Do Not Call Registry: donotcall.gov

Protect Your Personal Information

- Guard your Social Security number.
- Sign credit/debit cards when they arrive.
- Carry only the cards you need.
- Keep your PIN secret.
- Avoid obvious passwords.
- Store personal information in a safe place at home and at work.
- Keep your receipts.
- Destroy documents that contain account information (when no longer needed).
- Protect your mail.
- Pay attention to your billing cycles and check statements against receipts.
- Check your credit report once a year.

Practice Online Safety

- Protect your personal information online.
- Know whom you are dealing with and do not give out personal information.
- Use anti-virus and anti-spyware software and a firewall, and update these programs regularly.
- Use strong passwords and keep them private.
- Back up important files securely.
- Be careful using public wireless networks (WiFi).
- Lock and password-protect your laptop, tablet, smartphone and mobile devices.

Websites for Consumers

Consumer Protection

- Better Business Bureau: bbb.org
- Consumer Financial Protection Bureau: consumerfinance.gov
- Consumer safety tips: consumer.gov
- Consumer Reports: consumerreports.org
- Federal Trade Commission: ftc.gov
- Free annual credit reports: annualcreditreport.com
- Internet Crime Complaint Center: ic3.gov
- Kelley Blue Book: kbb.com
- Military OneSource: militaryonesource.mil
- NADA Car Guides: nada.com
- National Association of Attorneys General: naag.org
- National Consumers League: nclnet.org
- National Consumers League Fraud Center: fraud.org
- National Legal Aid & Defender Association: nlada.org

Financial Information and Counseling

- Consumer credit counseling: nfcc.org

Predatory Lending

- Center for Responsible Lending: responsiblelending.org
- Payday Loan consumer information: paydayloaninfo.org

Relief Societies

- Navy-Marine Corps Relief Society: nmcrs.org
- Coast Guard Mutual Assistance: cgmahq.org
- Army Emergency Relief: aerhq.org

Protect Your Credit

Check each of your three major credit reports at annualcreditreport.com. Service members can request free credit monitoring services, under certain conditions, from each of the nationwide credit reporting agencies.

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



SPENDING PLAN WORKSHEET

Use this worksheet to record your cash flow this month, then use the information to help you plan next month's cash flow.

Income

	Monthly (current)	Monthly (goal)
Service member's take home pay (after taxes, benefits and other deductions)	\$	\$
Spouse's take home pay (after taxes, benefits and other deductions)	\$	\$
Other income (child support, second job, etc., after taxes)	\$	\$
TOTAL MONTHLY TAKE HOME INCOME	\$	\$

Saving and Investing

Savings	\$	\$
Investments (IRA, other investment accounts)	\$	\$
TOTAL MONTHLY SAVINGS AND INVESTING	\$	\$

Housing

Monthly mortgage and property taxes (enter "0" if renting)	\$	\$
Monthly rent payment (enter "0" if you only have a mortgage)	\$	\$
Renters insurance or homeowners insurance not included in mortgage	\$	\$
Utilities (electricity, gas, etc.)	\$	\$
Internet, cable and phones	\$	\$
Other housing expenses (pest control, lawn service, etc.)	\$	\$

Food

Groceries and household supplies	\$	\$
Dining out	\$	\$
Other food expenses	\$	\$

Transportation

Auto/motorcycle loan payment(s)	\$	\$
Auto/motorcycle insurance	\$	\$
Auto/motorcycle fuel	\$	\$
Auto/motorcycle maintenance (1/12 of annual total)	\$	\$
Public Transportation (Metro, bus, etc.) parking, tolls, ride sharing	\$	\$
Other transportation expenses	\$	\$

Health

Medicines and supplements	\$	\$
Health insurance deductibles/co-pays	\$	\$
Other health expenses (dental, glasses, contacts, etc.)	\$	\$



SPENDING PLAN WORKSHEET

Personal and Family

- Child care
- Child and/or spousal support
- Clothing and shoes
- Laundry service/dry cleaning
- Money given to family members
- Entertainment (movies, streaming services, magazines, etc.)
- Vacations
- Pets
- Memberships and subscriptions
- Other personal or family expenses

Monthly
(current)

Monthly
(goal)

\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	

Other Expenses

- Credit card payments
- Student loan payments
- Other loans (furniture stores, appliances, HVAC systems, etc.)
- School costs (tuition, supplies, etc.)
- Non-monthly expenses (if annual ÷ by 12)
- Life insurance (monthly premiums paid for private policies)
- Gifts (estimated annual expenses ÷ 12)
- Other expenses (bank, credit card, ATM, and other fees)

\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	
\$		\$	

TOTALS

- Income
- Savings and Investments
- Monthly Expenses
- Difference

\$		\$	
\$		\$	
\$		\$	
\$		\$	

If your income is more than your expenses, you have money left to save or spend. If your expenses are more than your income, look for expenses to reduce or cut.



SURVIVOR BENEFITS OVERVIEW

Introduction

The Department of Defense (DoD) and the Department of Veterans Affairs (VA), along with other agencies, provide comprehensive assistance and support to the survivors of fallen Service members and veterans. This handout provides a brief overview of the most common survivor benefits available to family members.

Casualty Assistance

A Casualty Assistance Officer is assigned to help survivors understand and receive benefits and entitlements, and assist with the coordination of burial arrangements. Dependents are also provided with long-term casualty assistance which includes financial and grief counseling.

Financial Assistance and Benefits

Survivors may be eligible for a number of entitlements and benefits.

Military Benefits

- **Death Gratuity** — The death gratuity is a lump-sum tax-exempt payment of \$100,000 made by the military to beneficiaries designated by the Service member.
- **Online Survivor Benefits Report** — Surviving family should be provided with an initial survivor benefits report by the Casualty Assistance Officer, who will coordinate providing a military self-service logon that will provide access to an interactive online survivor benefits report.
- **Burial Benefits** — The military will care for, transport and bury eligible Service members, as well as provide travel entitlements for eligible survivors.
- **Survivor Benefit Plan (SBP)** — Surviving spouses or children of Service members who die in the line of duty while on active duty may be entitled to SBP payments. The automatic monthly SBP death benefit is provided at no cost, as Service members do not pay into this benefit when on active duty. Retirees, however, pay for SBP if elected before retirement.

Department of Veterans Affairs Benefits

- **Dependency and Indemnity Compensation (DIC)** — This compensation is paid to eligible survivors of active-duty Service members and survivors of those veterans whose deaths are determined by the Department of Veterans Affairs to be service-related. It is a flat monthly payment, independent of the pay grade of the veteran. This payment is adjusted annually for cost-of-living increases and is non-taxable. The VA also adds a transitional benefit to the surviving spouse's monthly DIC if there are children under age 18.
- **Special Survivor Indemnity Allowance (SSIA)** — Surviving spouses whose SBP payments have been offset (partially or totally) as a result of receiving DIC are eligible for the Special Survivor Indemnity Allowance.
- **Parents' Dependency and Indemnity Allowance** — The surviving parent(s) of a Service member who died in the line of duty or of a veteran whose death resulted from a service-related injury or illness may be eligible to receive Parents' Dependency and Indemnity Compensation. Parents' DIC is tax-free income.
- **Servicemembers' Group Life Insurance (SGLI)** — Servicemembers' Group Life Insurance is a program of low-cost group life insurance for Service members on active duty, ready Reserve members, members of the Reserves, members of the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service, cadets and midshipmen of the four service academies and members of the Reserve Officer Training Corps. The maximum amount of SGLI coverage is \$400,000.



SURVIVOR BENEFITS OVERVIEW

- **Family Servicemembers' Group Life Insurance (FSGLI)** — Family Servicemembers' Group Life Insurance offers coverage for the spouse and dependent children of Service members covered under full-time SGLI. Coverage is automatic, except in the case of a Service member married to another Service member on or after Jan. 2, 2013, which requires the couple to complete appropriate forms to opt into the program. FSGLI provides up to a maximum of \$100,000 of insurance coverage for a spouse, not to exceed the amount of SGLI coverage the insured member has in force. FSGLI also provides \$10,000 for each dependent child.
- **Servicemembers' Group Life Insurance Traumatic Injury (TSGLI)** — Traumatic injury protection under Servicemembers' Group Life Insurance provides financial assistance to Service members who have incurred certain physical losses due to traumatic injuries. Benefits range from \$25,000 to \$100,000 depending on the nature of the loss. All Service members who are insured in the SGLI program are automatically covered by TSGLI.
- **Beneficiary Financial Counseling Session** — Financial counseling services are offered to beneficiaries of SGLI, FSGLI and TSGLI.
- **VA Home Loans** — Surviving spouses who have not remarried may be eligible for a VA home loan guaranty.
- **Bereavement Counseling** — The VA Office of Readjustment Counseling offers bereavement counseling to families of Service members who die on active duty.
- **Educational Benefits** — The VA offers a number of education benefits for family members who have lost a Service member. For general information about these benefits, visit benefits.va.gov/gibill/.

Social Security Administration

Monthly Social Security payments are paid to a spouse or a divorced spouse with children of the deceased Service member under the age of 16, or disabled children in their care who meet the eligibility requirements. Monthly payments are also paid to children under the age of 18, or 19 if they are full-time students, or older children who were disabled before the age of 18. The amount paid will be determined by the Social Security Administration. Social Security benefits may be paid to the surviving spouse living with the member at the time of death. For more information, visit ssa.gov.

Ongoing Military Benefits

Surviving dependents may be eligible to receive access to the following ongoing benefits:

- DoD Domestic Dependent Elementary and Secondary Schools
- TRICARE Health Care Benefit
- TRICARE Dental Program Survivor Benefit
- Housing and allowances
- Commissary and Exchange privileges
- Legal assistance
- ID card
- Posthumous citizenship
- Tax forgiveness
- Contributions of Military Death Gratuities to Roth IRAs and/or Coverdell Educational Savings Accounts

Additional Resources:



For more information on these ongoing benefits, please visit militaryonesource.mil and search Survivor & Casualty Assistance, or contact a Personal Financial Manager or Counselor on your installation.



SURVIVOR BENEFITS OVERVIEW

Special Preference Programs for Employment

Widows, widowers and mothers of veterans may be able to take advantage of special preference programs when seeking employment with the federal government. These programs do not guarantee a job but do give a qualified candidate entry to the applicant pool. These programs include:

- Family Member Derived Preference
- Military Spouse Appointing Authority (Executive Order 13473)

Other Programs

Additional programs are available to surviving family members, including:

State Benefits:

To learn about survivor benefits in your state, visit your state's VA office by using the State Veterans Affairs Offices locator at va.gov/statedva.

Military Spouse Preference:

This program offers a preference for military spouses for certain DoD civilian positions.

To learn more, visit:

- Your nearest DoD personnel office or,
- The Defense Civilian Personnel Advisory Service website at dcpas.osd.mil and search "Military Spouse Preference Program" or,
- www.dcpas.osd.mil/Content/Documents/PPP-Program%20S.pdf

Additional Resources:



Military OneSource/Survivor Casualty Assistance:

militaryonesource.mil/family-relationships/survivor-casualty-assistance

DoD Survivor's Benefits Guide:

Visit MilitaryOneSource.mil and search "Survivor's Guide to Benefits" or visit

download.militaryonesource.mil/12038/MOS/ResourceGuides/A-Survivors-Guide-To-Benefits.pdf

Coast Guard Casualty Assistance:

www.dcms.uscg.mil/PSD/fs/Casualty-Matters/



THE NEED FOR PERSONAL FINANCIAL MANAGEMENT

Financial Readiness Is Mission Readiness

As a Service member, having your financial house in order makes you more able to carry out the duties of your mission. Good money management can also lead to personal benefits like less stress, more lifestyle choices, the opportunity to build wealth, and increased peace of mind.

What Is Personal Financial Management?

Personal financial management encompasses all areas of your financial life including money management, saving for goals, investing, and insurance. The following actions can get you started on the road to improved financial management.

- Set financial goals
- Create and follow a spending plan
- Build an emergency fund
- Purchase appropriate insurance coverage
- Save/invest 10% – 15% of pretax income
- Create an estate plan

Don't Wait!

The time to act and improve your financial readiness and personal financial management is now. Delaying or ignoring financial problems can lead to negative personal and professional outcomes.

Personal Challenges: Family conflicts, financial instability, and even health problems

Professional Challenges: Increased stress, difficulty focusing on your job, lost time and energy, negative evaluations, loss of promotions, and even the potential loss of your security clearance

The stakes are too high to take chances. Make increasing your financial readiness a priority and take charge of your personal and professional future.

Where to Turn

Fortunately, resources are available to help you improve your personal financial management and overcome financial challenges:

- 1. Command Financial Specialist (CFS)** — A first-line-of-defense peer who's trained to meet you where you are and provide guidance to help you overcome financial issues.
- 2. Personal Financial Manager (PFM)** — A professional counselor/educator at your installation's Family Support Center who provides FREE, confidential financial counseling, education, information, and referrals. They can assist with a number of issues including setting financial goals, creating spending plans, assisting with major purchases, and dealing with debt or credit concerns.
- 3. Military Relief Societies** — These nonprofit organizations can provide interest-free loans and educational assistance to Service members, eligible family members, and survivors in need.

Visit the links below for more information:



Navy-Marine Corps Relief Society: www.nmcrs.org

Air Force Aid Society: www.afas.org

Army Emergency Relief: www.aerhq.org

Coast Guard Mutual Assistance: www.cgmahq.org



THRIFT SAVINGS PLAN

Plan Overview

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for federal employees and uniformed Service members. It can provide you an additional source of retirement funds even if you don't retire from the military.

Description and Benefits

- Similar to a civilian 401(k) with individual accounts
- Service members contribute via voluntary payroll deductions
- Service member contributions and associated earnings are always theirs to keep
- Service member contributions can be pretax (Traditional) or after-tax (Roth) but are pretax by default
- Earnings and growth are tax-deferred
- Multiple investment options from conservative to aggressive
- Administrative and investment fees are very low compared to other retirement plans
- Multiple withdrawal options are available at retirement (typically age 59½)
- Beneficiary receives balance at participant's death



Participation Rules

- All Service members are eligible to participate in the TSP
- Service members can contribute up to 100% of base pay, special pay, and bonus pay up to a maximum annual contribution amount (\$19,500 in 2020, and \$57,000 in 2020 if in a tax-free combat zone).

Blended Retirement System Unique Features

- Participants are automatically enrolled in TSP at contribution level of 5% of base pay (can be changed)
- Participants are eligible for service-provided automatic and matching contributions (all pretax, Traditional)
- Service-provided automatic contributions vest (become the property of the Service member) after two years of service

	Traditional	Roth
Contributions	Pretax	After-tax
Take-home Pay	Taxes are deferred, so less money is taken out of your paycheck	Taxes are paid up front, so more money comes out of your paycheck
Transfers In	Transfers allowed from eligible employer plans and traditional IRAs	Transfers allowed from Roth 401(k), Roth 403(b) and Roth 457(b) accounts
Transfers Out	Transfers allowed to eligible employer plans, traditional IRAs and Roth IRAs, after separation	Transfers allowed to Roth 401(k), Roth 403(b), Roth 457(b) and Roth IRA accounts, after separation
Withdrawals After Separation	Taxable when withdrawn. A 10% penalty may also apply if under age 59½ and certain criteria are not met.	Contributions are tax-free when withdrawn. Earnings are tax-free if withdrawn after 59½ and it has been five years since January 1 of the year you made your first Roth contribution, or you are permanently disabled or deceased. A 10% penalty may also apply if under age 59½ and certain criteria are not met.



THRIFT SAVINGS PLAN

Investment Options

	G Fund	F Fund	C Fund	S Fund	I Fund	L Funds*
Description of Investments	Government securities (specially issued to the TSP)	Government, corporate, and mortgage-backed bonds	Stocks of large and medium-sized U.S. companies	Stocks of small to medium-sized U.S. companies (not included in the C Fund)	International stocks of more than 20 developed countries	Invested in the G, F, C, S, and I Funds
Objective of Fund	Produce a rate of return higher than inflation while avoiding exposure to credit (default) risk	Match the performance of the Bloomberg Barclays U.S. Aggregate Bond Index	Match the performance of the Standard & Poor's 500 (S&P 500) Index	Match the performance of the Dow Jones U.S. Completion Total Stock Market Index	Match the performance of the MSCI EAFE (Europe, Australasia, Far East) Index	To provide professionally diversified portfolios based on various time horizons, using the G, F, C, S, and I Funds
Risk	Inflation risk	Market risk, credit risk, prepayment risk, inflation risk	Market risk, inflation risk	Market risk, inflation risk	Market risk, currency risk, inflation risk	Exposed to all of the types of risk to which the individual TSP funds are exposed but total risk is reduced through diversification among the five individual funds
Volatility	Low	Low to moderate	Moderate	Moderate to high — historically more volatile than C Fund	Moderate to high — historically more volatile than C Fund	Asset allocation shifts as time horizon approaches to reduce volatility
Types of Earnings**	Interest	Change in market prices Interest	Change in market prices Dividends	Change in market prices Dividends	Change in market prices Change in relative value of currency Dividends	Composite of earnings in the underlying funds
Total Expenses as of 12/31/2019***	0.043%	0.046%	0.043%	0.060%	0.049%	0.043% - 0.047%
Inception Date	04/01/87	01/29/88	01/29/88	05/01/01	05/01/01	08/01/05

Source: tsp.gov/funds-individual/ and tsp.gov/funds-lifecycle

* Each of the L Funds is invested in the individual TSP funds (G, F, C, S, and I). The proportion of your L Fund balance invested in each of the individual TSP funds depends on the L Fund you choose.

** Income from interest and dividends is included in the share price calculation. It is not paid directly to participants' accounts.

*** Net expenses are offset by the forfeitures of Agency/Service Automatic (1%) contributions of FERS and BRS participants who leave Federal Service before they are vested, other forfeitures, and loan fees.



THRIFT SAVINGS PLAN

Loans

Under certain circumstances, you can borrow from your TSP account. Check www.tsp.gov for details.

TSP Resources

- TSP website: www.tsp.gov
- TSP Thriftline: **1-TSP-YOU-FRST** (1-877-968-3778)
- YouTube: *TSP4gov*
- Twitter: *@tsp4gov*
- Defense Finance and Accounting Service (DFAS): www.dfas.mil - search “TSP”.

Glossary of TSP Terms

- **After-tax Contributions** — Contributions made from Service member pay that has already been taxed (i.e. Roth)
- **Asset Allocation** — The strategy of dividing investments among multiple asset classes such as stocks, bonds, cash and subcategories of each in an attempt to control risk by diversifying one’s holdings
- **Automatic Contributions** — Contributions made by each branch of service to the TSP accounts of Service members covered under the Blended Retirement System. Contributions begin after 60 days of service and equal 1% of the Service member’s basic pay each pay period. See “vesting” for additional, related information.
- **Automatic Enrollment** — Automatic participation in the TSP by Service members covered under the Blended Retirement System through which 5% of their basic pay is contributed to their TSP account each pay period
- **Beneficiary** — The individual(s) or entity(ies) that receive your TSP account balance (or a portion of it) at your death
- **Bond** — A debt security issued by a government entity or corporation to an investor from whom it borrows money
- **Catch-up Contributions** — Contributions by participants in excess of the basic annual deferral limit which are available only to those 50 or older. The IRS sets the limit on these contributions annually.
- **Contribution** — A deposit made to the TSP by a participant through payroll deduction or on behalf of the participant by his or her branch of service
- **Currency Risk** — The risk that the value of a currency will rise or fall relative to the value of other currencies
- **Index** — A hypothetical investment portfolio that represents an investment market or a segment of it
- **Inflation Risk** — The risk that inflation will reduce the future purchasing power of an investment
- **Market Risk** — The risk of a financial loss caused by declines in investment markets
- **Matching Contributions** — Branch of service contributions, up to a certain limit, made to TSP accounts of participants who have also contributed their own money
- **Prepayment Risk** — The risk that bonds will be paid back early as a result of falling interest rates, thus forcing investors to reinvest at lower rates.
- **Pretax Contributions** — Contributions of pay that have not yet been taxed. All employee contributions to a TSP Traditional account are made pretax.
- **Securities** — Investments that can be bought and sold through various markets
- **Stocks** — Equity securities issued as ownership in a publicly held corporation
- **Vesting** — The time in service a TSP participant must have in order to keep automatic contributions and earnings



TRICARE OVERVIEW

TRICARE is the comprehensive health care program for Service members and eligible family members. It offers a menu of health care plans, a pharmacy program, and even dental coverage.

TRICARE and DEERS

You must first be registered in the Defense Enrollment Eligibility Reporting System (DEERS) to be eligible for TRICARE. While sponsors are automatically registered in DEERS, sponsors must register eligible family members in the system.

In most cases, these changes must be done in person at a local ID card office.

To add or remove family members in DEERS:

- Go to a local ID card office. Call ahead first to verify business hours or set up an appointment.
- Or, visit <https://idco.dmdc.osd.mil/idco/#/> to set up an appointment online.



Update DEERS Whenever You Have a Qualifying Life Event

In most cases, you have 90 days (stateside) and 120 days (overseas) from the qualifying life event to make your changes in DEERS/TRICARE. Qualifying life events include:

- Change in sponsor's status
- Getting married or divorced
- Having a child
- Moving to a new location for any reason
- Becoming eligible for Medicare
- Death of a sponsor or family member

Processes and Procedures for Common DEERS Tasks

Adding a New Spouse in DEERS

Remember, your spouse and dependents must first be registered in DEERS to be eligible for TRICARE.

- Go to any ID card-issuing office to add your spouse to DEERS
- You need the following documents (originals or certified copies):
 - Marriage certificate
 - Spouse's birth certificate
 - Spouse's Social Security card

Adding a New Child in DEERS

Remember, your spouse and dependents must first be registered in DEERS to be eligible for TRICARE.

- Obtain an official copy of your child's (or children's) birth or adoption certificate(s).
- Bring the birth certificate(s) and/or court documents to the nearest DEERS/RAPIDS office.

Removing an Ex-Spouse Due to Divorce

Visit your nearest DEERS/RAPIDS office with your divorce decree. You will want to get a new military ID if you are changing your name.



TRICARE OVERVIEW

Understand TRICARE Options and Benefits

As a Service member, TRICARE is your comprehensive health plan benefit. DEERS-registered spouses and dependents have access to many of the same benefits. TRICARE offers different types of coverage and the right plan for you and your family will depend on several factors including eligibility, location, and health care needs. Every Service member's situation is unique so it is important to do your research and find the right plan for your needs.

Visit tricare.mil/Plans/Eligibility to find your beneficiary category.

Visit tricare.mil/Plans/New for an overview of benefits, health plan options and out-of-pocket expenses.

Compare Options

You can even compare the cost of different plans, here: tricare.mil/Plans/ComparePlans.

Then, take action by confirming your eligibility, exploring plan options, and enrolling!

- Confirm your eligibility online or call **1-800-538-9552**.
- Explore your health plan options.
- Decide which plan is right for you and enroll (if required).
- Reserve Service members can learn more about their TRICARE benefits at tricare.mil/Plans/HealthPlans/TRS.

Enrolling and Withdrawing Dependents

Once an eligible dependent's information has been added to, or updated in DEERS, he or she may be enrolled in or withdrawn from TRICARE.

Enrolling and withdrawing dependents in TRICARE varies depending on which plan you're eligible for and select. Visit tricare.mil/Plans/Enroll to see which plan is right for you and follow the appropriate steps to enroll or withdraw.

Much like with DEERS, qualifying life events (including birth, adoption, or court-appointed custody) usually open a 90-day (stateside) and 120-day (overseas) window of opportunity to enroll dependents in TRICARE. Visit tricare.mil/LifeEvents for a list of these milestones and enrollment windows.

Additional Considerations

Other Health Insurance (OHI) Beyond TRICARE

Active-duty Service members must enroll in TRICARE Prime, TRICARE Prime Remote, TRICARE Prime Overseas or TRICARE Prime Remote Overseas depending on where they are stationed. However, for National Guard and Reserve members, your eligibility depends on your status. Visit tricare.mil/Plans and use the "TRICARE Plan Finder" to check your plan eligibility. Compare costs and benefits with your civilian health coverage to decide what's best for your family at tricare.mil/Plans/ComparePlans. If you are a Reserve member and have health insurance through your civilian employer, or your spouse has additional health care with their employer, TRICARE pays after all other health insurance with some exceptions. For more information, visit tricare.mil/Plans/OHI.

TRICARE for Deployments and Mobilization

National Guard and Reserve members are eligible for TRICARE Prime when activated for 30 days or more. Visit tricare.mil/Plans/New/NewNGRM to see what programs are available. When you separate from active duty or demobilize, the Transitional Assistance Management Program provides TRICARE benefits for 180 days. Additional information is available at www.tricare.mil/Plans/SpecialPrograms/TAMP.

Additional Resources:



Need further assistance? Speak with a TRICARE benefit specialist to discuss your specific situation:

TRICARE West: 1-844-866-9378

TRICARE East: 1-800-444-5445



UNDERSTANDING CREDIT

Credit Can Be Both Good and Bad

Credit can be a valuable part of your long-term financial plan. It can help you make large purchases that would be difficult to pay for with cash, like a new vehicle, a home, or a college education. However, credit can also be dangerous if misused. It can cost you a lot of money, increase your stress, and even damage your career if you can't get or keep security clearances as a result of a poor credit reputation. Understand how credit works and make wise decisions with these tips.

Create Healthy Credit Habits

Boost your overall financial well-being by using credit responsibly. Practice the following healthy credit habits to improve your credit reputation:



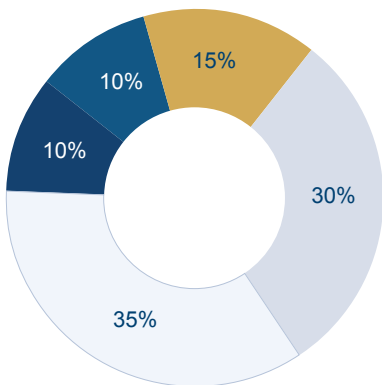
- Create and follow a spending plan, so you don't overspend and take on extra debt.
- Pay bills on time. Do not skip payments.
- Strive to fully pay off your credit cards each month. If you have to carry a balance, keep it as low as possible.
- Do not apply for credit you do not need.
- Keep credit card and loan information in a safe, secure place to reduce the risk of identity theft.
- Keep receipts and compare charges when your statements arrive. Contact your bank, credit card or finance company immediately if there is a discrepancy.

Understand Your Credit Reputation (Credit Report)

Your credit report is a record of your payment history with creditors. Lenders, employers, landlords, insurers and other businesses often evaluate this report to determine if you are dependable and to make decisions about whether or not to lend you money. Your credit report shows the following:



- How much credit you are using
- How well you pay your debts
- Who is inquiring about your credit
- Information on bankruptcies



- Payment History
- Amounts Owed
- Length of Credit History
- Types of Credit Used
- New Credit

Understand Your Credit Score

Credit scores may range from 300 to 850 depending on the credit scoring model. Most lenders consider people with scores above 670 to be good credit risks. Scores below 580 may indicate credit problems.

The FICO Score is one of the most widely used credit score models and is considered by lenders to be the industry standard for determining how likely a person is to repay a debt. The chart on the left indicates the five key components of a FICO credit score.

Payment history and amounts owed are responsible for approximately 65% of your credit score, so be sure to make payments on time and keep debt levels low.

Be sure to exercise good credit habits, so you can maintain the highest possible score.

The three nationwide consumer reporting agencies, Equifax, Experian, and TransUnion offer the following resources:

- A free annual copy of your credit report (also available through annualcreditreport.com)
- Free credit monitoring for eligible Service members