

Whether you complete a 20-year career or separate after a few years, do make the most of your benefits and personal financial readiness training provided.

This checklist, along with the accompanying handouts and the information provided by the Health, Safety and Work-Life (HSWL) Regional Practice staff can help you make sound financial decisions.

### HANDOUTS

- Military Banking
- Spending Plan Worksheet
- Understanding Credit
- Military Consumer Protection
- Servicemembers Civil Relief Act
- Sources of Help for Military Consumers
- Major Purchases
- Education Benefits and Savings
- Paying off Student Loans
- TRICARE Overview
- Thrift Savings Plan
- Basic Investing

## ★ Basic Finance

- Review the *Military Banking* Handout for information on credit unions and banks, typical fees, online banking, and how to manage your bank accounts.
- Understand basics of debit/credit card use and tracking deposits/expenditures.
- Know how to recognize and correct banking errors. Review your transactions periodically and immediately contact your bank if you find errors that need to be corrected.
- Update your personal spending plan using the *Spending Plan Worksheet* Handout. 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 members that you can provide a Spending Plan Worksheet Handout 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% – 30% 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 saving a little each paycheck to help get you there.





# FIRST DUTY STATION

**Counselor:** Share with the members the concepts of paying yourself first, automating savings, and keeping their emergency fund in a separate account. Remind members they can make saving effortless by setting up an automatic transfer through their bank or an allotment.

**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.

- Consider setting up automatic bill pay to avoid missed or late payments. Check each of your three major credit reports for free at **annualcreditreport.com**. Consumers are authorized one free credit report from each of the three credit reporting agencies annually. Coast Guard members 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 members that they may be dealing with many new creditors, which increases their exposure to billing errors and identity theft. Remind members that they may be able to get a free copy of their credit reports from their assigned Command Financial Specialist (CFS) and the Personal Financial Manager (PFM) at their local Health, Safety and Work-Life (HSWL) Regional Practice. The PFM can also help them interpret their reports and discuss what they need to do to improve their scores. Also, tell members they will not have a credit report until they have had a credit account for about 6 months. The PFMs can provide tips on building credit if they have no credit. Remind members of the 6% interest rate cap on debts incurred before Active Duty and refer them to the *Military Consumer Protections Handout* for more information.

- Review your new tax situation and change federal and state withholding as needed via Direct Access at **hcm.direct-access.uscg.mil**.

**Counselor:** Remind members that for additional help, they may wish to consult with a PFM at their local HSWL Regional Practice or contact CG SUPRT at 1-855-CGSUPRT or **CGSUPRT.com**. Access to CG SUPRT resources can be found via the CG SUPRT website. Go to **CGSUPRT.com** --> My CG SUPRT site password is 'uscg' (subject to change).

- Understand rules on state residency and state income tax.

**Counselor:** Remind members they are not required to change their legal residence when they move to a new state via PCS. They may maintain or keep their tax and voting rights with the state of their legal residence.

- 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: \_\_\_\_\_  
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## ★ Consumer Protection

- Review the *Military Consumer Protection* Handout for additional information on identity theft and Military Lending Act (MLA).

**Counselor:** *Remind members their nearest Legal office can assist by reviewing contracts to help keep members from falling prey to predatory lenders and fraudsters.*

- Review the *Servicemembers Civil Relief Act* Handout to know your rights as a member of the military.
- 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: \_\_\_\_\_  
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## ★ Major Purchases

- Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases. Review the *Major Purchases* Handout for more information.

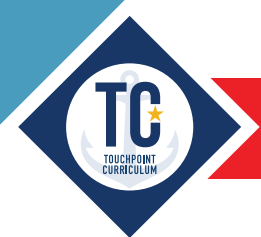
**Counselor:** *Remind members to speak with a PFM at their local HSWL Regional Practice to build and review their spending plan before taking on any major purchases.*

- Understand that Personal Financial Managers (PFMs) are available at your local Health, Safety and Work-Life (HSWL) Regional Practice to assist with questions about a major purchase.

**Counselor:** *Remind members to speak with their CFS, PFM or a CG SUPRT Money Coach to build and review their spending plan before taking on any major purchases.*

- Review the *Education Benefits and Savings* and *Paying off Student Loans* Handouts to learn more about financing education, available benefits, obligations, and repayment options.
- Research and take advantage of tuition assistance and the College Level Examination Program (CLEP) to help cover or offset the costs of higher education.

Additional notes: \_\_\_\_\_  
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## ★ 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.

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

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

Common types of life insurance policies include:

- Term insurance — provides a stated amount of coverage over a specific period of time. Typically costs less than permanent insurance during the initial term.
- 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 members 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:** Inform members 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 Pay and Personnel Center. To access SOES, they must sign into <https://milconnect.dmdc.osd.mil/milconnect> and go to the "Benefits" tab, Life Insurance SOES-SGLI Online Enrollment System.



# FIRST DUTY STATION

- Ensure your dependents are enrolled in Family Servicemembers' Group Life Insurance (FSGLI) which may need to be completed through SGLI Online Enrollment System (SOES).

***Counselor:*** Inform members that FSGLI provides up to \$100,000 in coverage in \$10,000 increments to cover eligible spouses for as little as \$0.45/month (for \$10,000 of coverage for spouses under age 35). (Dependent children are automatically covered at \$10,000 as soon as they are registered in DEERS.) Refer members to [benefits.va.gov/insurancelfsgli.asp](https://benefits.va.gov/insurancelfsgli.asp) for more information.

- Review or consider obtaining renters (homeowners) insurance policies to ensure that they are adequate for your circumstances.

***Counselor:*** Inform members that the Coast Guard will not cover their belongings in the barracks and on the cutter. Renters (homeowners) insurance covers items that are removable from their car (like sports equipment in the trunk).

- Update your auto insurance policy or policies, and ensure coverage is appropriate for your current location and needs.

Additional notes: \_\_\_\_\_  
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## ★ Compensation, Benefits and Entitlements

- Understand basic pay is normally determined by rank (grade) and years of service. The other pays, often referred to as special and incentive pays, are for specific qualifications or events. To learn more about basic, special and incentives pay visit [dcms.uscg.millppcl/mas/rates](https://dcms.uscg.millppcl/mas/rates).
- Understand allowances are monies provided for specific needs, such as food or housing. Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) are two of the most common allowances, but there are several others including Clothing, Dislocation, Family Separation Allowance (FSA), and Family Subsistence Supplemental Allowance (FSSA). To learn more about allowances, including current rates, visit [dcms.uscg.millppcl/mas/rates](https://dcms.uscg.millppcl/mas/rates).
- Enroll new family member(s) in TRICARE (Active Duty), TRICARE Reserve Select (Reserve members) or other health insurance plan. Review the *TRICARE Overview Handout* for more information.

**Counselor:** Note that TRICARE Prime and TRICARE Select require annual enrollment. Members may also want to reassess their own TRICARE plan. Refer Active Duty Coast Guard members to [tricare.millPlans/HealthPlans](https://tricare.millPlans/HealthPlans). Refer Reserve Component Coast Guard members to [tricare.millPlans/HealthPlans/TRS](https://tricare.millPlans/HealthPlans/TRS).

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

*Remind Coast Guard members 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 [tricare.mill/Dental](https://tricare.mill/Dental) for more information.

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



# FIRST DUTY STATION

- Invest in your future marketability today. It is never too early to prepare your career for transition from the military to the civilian sector, and improve potential upward mobility and greater earning power with these tips from the DoD Career Ready Portal at [dodcareerready.usalearning.gov/service\\_members](https://dodcareerready.usalearning.gov/service_members).
- **Tip 1:** Look into whether your military career offers a registered apprenticeship for your Navy rating or skills you may have. Visit the United Services Military Apprenticeship Program (USMAP) website to identify and register for apprenticeships, track progress, and report completion of apprenticeships. Learn more: [dodcareerready.usalearning.gov/service\\_members/apprenticeships](https://dodcareerready.usalearning.gov/service_members/apprenticeships).
- **Tip 2:** Determine if your military experience translates into a civilian credential. Turn your military experience into certifications and licensing by visiting the Department of Coast Guard Credentialing Opportunities Online (COOL): [cool.osd.milluscglindex.htm](https://cool.osd.milluscglindex.htm).
- **Tip 3:** Explore eligibility for tuition assistance. Did you know that you could qualify for tuition assistance to pursue your education and potentially increase your earning potential? Learn more about all the opportunities: [cg.portal.uscg.millunitsforcecom/ETQC/VoluntaryEducationpage/SitePages/Home.aspx](https://cg.portal.uscg.millunitsforcecom/ETQC/VoluntaryEducationpage/SitePages/Home.aspx).

***Counselor:** For more information on these programs, visit [dodcareerready.usalearning.gov/service\\_members](https://dodcareerready.usalearning.gov/service_members) and show the members around these programs, discuss future career goals, and how building skills and gaining education can increase their earning power.*

Additional notes: \_\_\_\_\_  
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## ★ Saving and Investing

- Review the *Thrift Savings Plan* and *Basic Investing* Handouts to learn more about investing for retirement, compound earnings and fundamentals of investing.
- Consider “Saving Automatically” by setting up an allotment directly from your pay to a savings account.
- Manage your TSP account by visiting [tsp.gov](https://tsp.gov). Your account number is needed to create a login username. If you have misplaced or lost your account number, contact the ThriftLine at 1-877-968-3778 to request the account number be mailed to you.
- Review and update beneficiaries and contact information for your TSP account, if applicable.

***Counselor:** Refer members to the [tsp.gov](https://tsp.gov) website to complete Form TSP-3 Designation of Beneficiary form to update beneficiaries.*

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