

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.

In addition to the training materials contained in this checklist, the Personal Financial Manager (PFM) at your local Health, Safety and Work-Life (HSWL) Regional Practice, can help you with your specific situation before you deploy.

HANDOUTS

- Spending Plan Worksheet
- Financial Warning Signs
- Understanding Credit
- Combat Zone Tax Exclusion
- Military Consumer Protection
- Servicemembers Civil Relief Act
- Sources of Help for Military Consumers
- Paying off Student Loans
- Major Purchases
- Estate Planning
- TRICARE Overview
- Survivor Benefits Overview
- Thrift Savings Plan

★ Basic Finance

- 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.

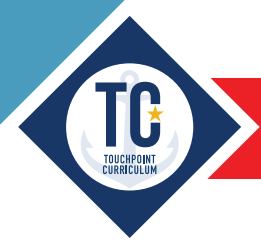
Step 3: Create a plan

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.

Counselor: *Share with 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.*





PRE-DEPLOYMENT

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 payments for bills to ensure you keep up with your financial obligations. Communicate with your Power of Attorney (POA) about payments that need to be made throughout the month.

Counselor: Remind members 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 annualcreditreport.com. 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: 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 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.

- Be aware that Coast Guard Mutual Assistance (CGMA) can offer financial assistance, grants, and zero interest loans to Coast Guard members who are experiencing financial hardship or need emergency assistance. A POA is necessary to authorize a spouse to use CGMA. Deployed members should use caution when obtaining a POA for financial matters.
- 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. 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 irs.gov and search “IRS Publication 3, The Armed Forces’ Tax Guide.” This publication covers Service members’ tax benefits and responsibilities in detail. You may also contact CG SUPRT for free, confidential professional consultations regarding taxes.

Additional notes: _____



★ Consumer Protection

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

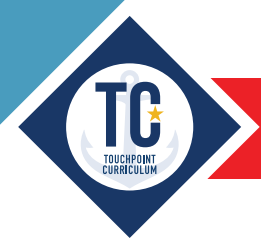
Additional notes: _____

★ 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 members that information about their student loans can be found on the National Student Loan Data System (NSLDS) at 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, 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 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. 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 members to benefits.va.gov/insurance for more information. See 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.



PRE-DEPLOYMENT

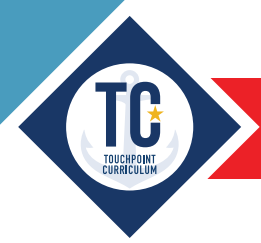
- Review your Record of Emergency Data and update your Designation of Beneficiaries by contacting the Personnel and Administration office (P&A shop).
- Carefully review any additional life insurance coverages for potential disqualifying events, like war clauses.
- Review and update your homeowners or 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.

Counselor: *Remind members to let their insurer know their car will be “off the road,” if appropriate. Also, if members owe money on a car, the creditor will require insurance coverage. It may not be advisable to cancel coverage in most cases. Direct members to check with their insurance company to review options.*

- Review the *Estate Planning Handout* and see your nearest 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 members 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
- Combat Zone Tax Exclusion (CZTE)
- Promotion
- Reenlistment bonus
- Loss of spousal income
- Reserve members (Military pay vs 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 Payslip to verify pay adjustments are accurately reflected.

Counselor: *Whether a member 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. It is also very important to have a conversation with spouse before deploying to ensure everyone has realistic expectations of increased pay and the best “return on investment” of any increased pay.*

- 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 Savings Deposit Program (SDP). The SDP offers an opportunity to increase returns on cash savings. The program guarantees an annual return of 10% which is taxable, compounded quarterly, up to \$10,000 in savings. To learn more about the Savings Deposit Program visit the Coast Guard Pay and Personnel Center website at dcms.uscg.mil/ppc/news/Article/1119913/savings-deposit-plan-sdp.

Counselor: *To participate in the SDP, members must meet the following qualifications:*

- *Deploying 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. Be sure to also review TSP beneficiaries before deploying as the beneficiaries listed will override those listed in a will.
- 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.*

Additional notes: _____
