



Welcoming Your New Child

Instructor Guide



I. COURSE ORGANIZATION AND OUTLINE

The *Welcoming Your New Child* course is comprised of seven parts:

1. **Introduction and Agenda**
 - Welcome
 - Facilitator introduction
 - Agenda
2. **Documents**
 - Birth/adoption certificate
 - Social Security card
 - Consular Report of Birth Abroad
 - Administrative Tasks
3. **Financial Planning**
 - Spending plan
 - Financial education and assistance programs
 - Major purchases and other considerations
 - Changes to your taxes
4. **Insurance**
 - Health, dental, and property
 - Life insurance needs
 - Coverage options
 - Survivor benefits
5. **Military Retirement**
6. **Paying for College**
7. **Summary and Resources**

TOTAL: 45 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 childcare.
2. **TLO:** Understand fundamentals of income tax, common tax benefits, and potential changes them.
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 potentially 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 this 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
- *Welcoming Your New 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 A New Child in the Army* Soldier 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
- *Free Credit Monitoring* Handout
- *TRICARE Overview* Handout
- *Survivor Benefits Overview* Handout
- *Military Retirement* Handout
- *Estate Planning* Handout
- *Education Benefits and Savings* Handout
- *Paying off Student Loans* Handout
- [*Food Security Resources and Support Programs*](#) Handout
- *Dependent Care FSA* Handout

Visit the QR code for a copy of the handouts.



IV. CONTENT

Introduction



SLIDE 1

Course Purpose and Rationale

Welcome to the *Welcoming Your New Child* financial readiness course.

Congratulations to all the new parents here today. For most Soldiers, a new child means changes, especially to your finances. Whether you are having a baby, adopting or becoming a stepparent due to a marriage, this course is designed to help you organize your finances efficiently and prepare you for the changes that come with your growing family.

INSTRUCTOR NOTE: This course is meant to be inclusive for the addition of any new child, including a new baby, a stepchild due to marriage, or the adoption of a child of any age. Use inclusive language throughout the class. Avoid referring to a *new child* as only a *baby*.

Facilitator Introduction

Hello, my name is _____.

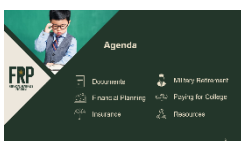
I am a _____.

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

This training satisfies the common military training requirement for Welcoming Your New Child.

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 Soldiers and their families in identifying or exploring multiple options.*

Agenda



SLIDE 2



INSTRUCTOR NOTE: Distribute *Welcoming a New Child in the Army* Soldier checklist.

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

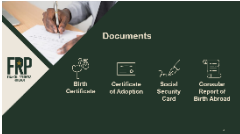
We'll cover six topics: **Documents, Financial Planning, Insurance, Military Retirement, Paying for College, and Resources.**

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



ACTIVITY: For two to three minutes, have attendees partner up and ask each other about their households. Are they active duty or a member of the Guard or Reserves? Is the child, or children, a newborn, stepchild, or adoptee? If a stepchild or adoptee, what age? Have they made childcare arrangements? If not, what options are they considering? This allows attendees to meet new families for support.

Documents



SLIDE 3



INSTRUCTOR NOTE: Distribute *Estate Planning* handout.

To get started, we will discuss important first steps to 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). Make multiple copies of birth or adoption certificates and keep them in a secure place like a safe, fireproof box, or safety deposit box.

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 visit www.usa.gov/replace-vital-documents for information on how to obtain a replacement.

Social Security Card

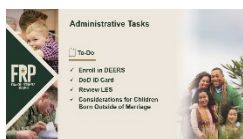
Apply for a Social Security card for your child or children. Some hospitals do not automatically apply for the Social Security card for a newborn, so be sure to follow up. After receiving your child's Social Security card, consider freezing their credit to prevent identity theft.

Consular Report of Birth Abroad

If you are a U.S. citizen (or non-citizen national) and have a child overseas,

report their birth to the nearest U.S. embassy or consulate as soon as possible so that a Consular Report of Birth Abroad (CRBA) can be issued. This is an official record of the child's claim to U.S. citizenship or nationality. You are strongly encouraged to report your child's birth as soon as possible and at least 3 months before any planned travel. You may apply for a U.S. passport for your child when you apply for a CRBA. For more information, go to <https://travel.state.gov/content/travel/en/international-travel/while-abroad/birth-abroad.html>

Administrative Tasks



SLIDE 4

DEERS

Add your new child to your Defense Enrollment Eligibility Reporting System (DEERS) account within 30 days of birth, adoption, or marriage. Bring the birth certificate(s) and/or court documents to the nearest DEERS/Real-Time Automated Personnel Identification System (RAPIDS) office.

You must do this in person. A list of acceptable identification documents can be found at https://www.cac.mil/Portals/53/Documents/required_docs.pdf.

You can find the nearest DEERS/RAPIDS office at <https://www.dmdc.osd.mil/rsl/appj/site>.

DoD ID Card

In addition to being enrolled in DEERS, new dependents over the age of 10 are required to have a current DoD ID card. 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 before going to the CAC office.

LES

Adding children to your household may impact your pay. 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. You may see changes to tax exemptions, child support, FSGLI, BAH, etc. Be especially careful to review your LES for overpayments or entitlements that you are not eligible to receive, as these will be recouped.

Child Born Outside of Marriage

If a child is born outside of marriage, proof that the Soldier is the parent of the child must be established, in pursuant to criteria prescribed by DEERS. Proof of parentage may include consenting to be listed as the child's parent on the birth certificate, a written acknowledgement of an obligation to support the child, a State Voluntary Acknowledgement of Paternity form, or a court order establishing paternity. A Soldier who gives birth is not required to establish proof of parentage.

If a surrogate is used, the member (or couple) becomes the legal parent(s) or guardian(s) of the child. The event is treated as an adoption, and the Soldier is entitled to Military Parental Leave, which we will discuss later.



SLIDE 5

Estate Planning

See your installation's Legal Services Office (or other legal counsel) to establish or update estate planning documents, including a will, trusts, durable power of attorney, health care directive, medical power of attorney, and a letter of instruction.

Now that you have a child, it is a good idea to use your will to address who you want to serve as a guardian in the event of a death. This is especially important in blended families. Along with that, you should appoint a conservator to handle your child's benefits and entitlements. If guardianship and conservatorship are not addressed, the court may step in and appoint someone, which could delay payments and cost unnecessary fees.

Whether you have an estate plan or not, read the *Estate Planning* handout, and seek assistance from your installation's Legal Services Office or civilian legal services.

INSTRUCTOR NOTE: Estate planning services at installation's Legal Services Offices are free of charge. For members of the Guard and Reserves, legal services are sometimes available through civilian employers, too.

Special Needs Considerations

There are many resources available to help military families with special needs. Your installation's Exceptional Family Member Program (EFMP) can help you navigate the support, tools, and services available to you. This program requires additional financial literacy training. You can learn more at

<https://efmp.army.mil/EnterpriseEfmp/>.

Parents with new children with special needs should also seek counsel with their installation's Legal Services Office to understand the importance of special needs trust and estate planning.

Also, the Special Needs Organizational Record for Children with Special Health or Educational Needs is a tool designed to help parents organize care for a special needs child in the event of their absence. You can download the tracker at <https://www.militaryonesource.mil/products/special-care-organizational-record-for-children-with-special-health-or-educational-needs-downloadable-143/>.

Achieving a Better Life Act (ABLE)

An ABLE account is a tax-advantaged savings account for the benefit of a disabled person. Distributions won't impact Supplemental Security Income (SSI) benefits and Medicaid benefits if the account is established properly, and certain rules are followed. More details can be found at: <https://www.ssa.gov/ssi/spotlights/spot-able.html>.

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, such as during a deployment or temporary duty. A Family Care Plan is required for single parents and dual-military couples who are active duty Soldiers or members of the Reserve, regardless of grade.

For more information on the types of documents you will need to include, visit <https://www.militaryonesource.mil/family-relationships/relationships/parents-%20guardians/preparing-your-family-care-plan/>. You can fill out a Family Care Plan at https://armypubs.army.mil/pub/eforms/DR_a/pdf/DA%20FORM%205305.pdf.



SLIDE 6

Financial Planning



INSTRUCTOR NOTE: Distribute *Spending Plan Worksheet* handout.



SLIDE 7

Spending Plan

Now, let's turn our attention to several important financial planning topics. We'll 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 with the addition of a new 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 payments, taxes, utilities, maintenance, etc. to BAH or 25% of pretax pay.

Step 3: Create a Plan

Build your plan by 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, any additional medical expenses, child support, or childcare.

Also, you should consider increasing your emergency savings to cover three to six months of living expenses. This is especially important if you are a single parent or 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.

INSTRUCTOR NOTE: Remind attendees to consider the obstacles they may face when trying to save, invest, and limit household expenses. Say, “Based on your current situation you evaluated in Step 1, where do you tend to spend more than you need? What habits are inhibiting you from reaching your goals? To achieve financial goals, we need to acknowledge the obstacles that will stand in our way, so we feel more prepared in those moments to make a different choice.”

Step 4: Make Adjustments

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

You received a *Spending Plan Worksheet* handout to revise your current spending plan and account for changes in income and expenses.

INSTRUCTOR NOTE: Suggest that attendees decide how often they want to check in on their spending plan (e.g., every month). Have them set a date to do their first check in to ensure they follow through with updating their plan. They can also identify a system to help them check in, like a monthly reminder on their phone or a note on the family calendar.



ACTIVITY: If time permits, spend a few minutes filling out a mock *Spending Plan Worksheet* handout with attendees. Encourage attendees to complete their own *Spending Plan Worksheet* handout at home.

The [United States Department of Agriculture](#) estimates that the average cost of raising a child from birth to 18 is about \$233,600, and the costs keep rising.

[MilSpouse Money Mission](#) has budgeting resources, a blog, and videos for guidance. MilKids provides age-appropriate tips and tools to raise financially fit kids.



Financial Education and Assistance Programs

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

SLIDE 8

Military Parental Leave Program

First, for those expecting a new child, it's important to become familiar with parental leave policies. Active component Soldiers, or Reserve component Soldiers performing active Guard and Reserve duty or Full-time National Guard Duty for a period in excess of 12 months, and Reserve component Soldiers performing duty under a call or order to active service in excess of 12 months are eligible for The Military Parental Leave Program. There are different types of leave under the Military Parental Leave Program associated with childbirth or adoption.

1. **Maternity Convalescent Leave** is 6 weeks of non-chargeable leave for covered Soldiers who give birth. It must be taken immediately after childbirth and will start the first full day after the covered Soldier is released from the hospital (or similar facility). Additional leave may be granted if it is recommended in writing by a medical provider and approved by the Soldier's commander.
2. **Parental Leave** is intended for Soldiers to care for their child or children. Soldiers who give birth, non-birth parents, and Soldiers who have a minor child or children placed into their home for adoption or long-term foster care are authorized 12 weeks of parental leave, which may be taken in one or more increments. Parental leave is in addition to and following a period of maternity convalescent leave for the birth parent. Parental leave is not a substitute for maternity convalescent leave for a birth parent. Only the first general officer in a Soldier's chain of command may disapprove a request for parental leave.
Non-birth parent Soldiers are afforded up to 12 months to take parental leave. The 12-month period will be extended, day-for-day, if the Army sends the Soldier for duty at accession pipeline training courses or away from home station for longer than 90 days (for example, to school or on deployment).

INSTRUCTOR NOTE: For more information about the Army's parental leave policy visit https://armypubs.army.mil/epubs/DR_pubs/DR_a/NOCASE-POG_215371-000-WEB-1.pdf

Childcare



INSTRUCTOR NOTE: Distribute *Dependent Care FSA* Handout. Briefly go over this section and refer to their local installation resources.

Childcare can be expensive and planning ahead will ensure you are prepared. The Army's Child & Youth Services (CYS) offers quality and affordable programs to reduce the conflict between mission readiness and parental responsibility.

Accessing Military Childcare

MilitaryChildCare.com is a Defense Department website that provides a single gateway for parents to find comprehensive information on military-operated or military-approved child care programs worldwide. By streamlining the child care search and request process, MilitaryChildCare.com makes it easier for military parents to understand and assess their child care options and find affordable, quality and licensed care for their children.

Military Childcare In Your Neighborhood (MCCYN) and Army Fee Assistance (AFA)

The Military Child Care in Your Neighborhood (MCCYN) program supports eligible Families with childcare if they cannot access military-based care due to geographic distance or installation waitlists. The Army Fee Assistance program under the MCCYN program provides fee assistance to eligible Army Families to offset the cost of community-based care. Families can access information about community-based programs through MilitaryChildCare.com or by accessing the link for Child Care Aware of America as the third party administrator for AFA at Army Fee Assistance - Child Care Aware® of America.

Deployment Support Services

Child, Youth and School Services offers services to eligible Army Families to include: extended child care operating hours, deployment discounts, online tutoring and homework support. Families should reach out to their installation Child Youth and Services Parent and Outreach Services to find out what services are available locally.

Adoption Assistance

Eligible Soldiers serving on active duty may be reimbursed for a maximum of \$2,000 per child for qualifying expenses related to the adoption of children under age 18, up to a maximum of \$5,000 per calendar year for multiple adoptions. For more information visit

<https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Adoption-Assistance?serv=122> or
<https://comptroller.defense.gov/FMR/fmrvolumes.aspx>.

Food Security Resources and Support Programs

There are many resources and tools to help Soldiers and their Families bolster their economic security and relieve financial stress.



INSTRUCTOR NOTE: Distribute *Food Security Resources and Support Programs* Handout

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

WIC's target population are low-income, nutritionally at risk to include eligible pregnant women, breastfeeding women, non-breastfeeding postpartum women, infants, and children up to their fifth birthday. It provides vouchers for food like formula, milk, eggs, cheese, etc. to use at the grocery store of your choice. Your local Family Support Center should have information to see if you qualify and details about the program. Visit <https://www.fns.usda.gov/wic/wic-eligibility-requirements> for eligibility requirements.

Supplemental Nutrition Assistance Program (SNAP)

You may also be interested in checking your eligibility for Supplemental Nutrition Assistance Program (SNAP). This program provides nutrition benefits to supplement the food budget of eligible families. To learn more visit <http://www.fns.usda.gov/snap/state-directory>.

Family Supplemental Subsistence Allowance (FSSA)

FSSA is a DoD program that supplements an eligible active Soldier's household income if it's below 130% of federal poverty guidelines. FSSA is only available for Soldiers with at least one dependent in their households who are serving overseas (not including Puerto Rico, the U.S. Virgin Islands or Guam). To learn more visit <https://finred.usalearning.gov/assets/downloads/FINRED-FSSA-FS.pdf>

Your installation's **Family Support Center** offers a variety of programs and services, including family life education, new parent support programs, counseling, child abuse prevention and response services, and emergency family assistance.

Finally, the **Army Emergency Relief**, a non-profit organization, offers financial assistance for childcare, remote learning, and homeschooling to qualified applicants. They also offer zero-interest loans to active duty Soldiers and eligible Reserve Component Soldiers to ensure no Soldier faces financial hardship on their own. Visit <https://www.armyemergencyrelief.org/> for more information.

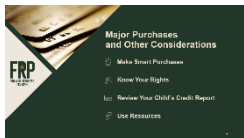
US Army Reserve Training/Weekend Drill Care

The Army has launched a pilot program designed to help Reserve Soldiers find licensed child care providers in two locations – eastern Iowa and western Missouri. Reserve Families in those area can find child care during drill weekends and annual training periods. Reservists will use an APP to find care in these areas which will link them to an approved provider at no cost to the service member. Reservists in these areas should reach out to their commands for further eligibility and participation information.

Dependent Care Flexible Spending Account

The Defense Department offers a dependent care flexible spending account to help families pay for dependent care expenses. This benefit is available to active component members and members of the Active Guard Reserve (AGR) on Title 10 orders, as well as DoD civilians. By using a DCFSA, you can allocate pretax dollars towards these expenses, effectively reducing out-of-pocket costs. Visit www.fsafeds.com/explore/usmdcfsa for more information.

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



Major Purchases



INSTRUCTOR NOTE: Distribute *Major Purchases* and *5 Rules of Buying a House* handouts.

SLIDE 9

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



ACTIVITY: Spend two to three minutes asking attendees what they think are the biggest costs associated with the addition of a new child. Ask follow-up questions as needed to get them thinking about a variety of costs. It may be helpful to share with them that experts estimate that families will spend approximately \$17,000 per year to raise a child through age 17. This does not include the cost of a college education.

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. You can find great deals and gently used items at second-hand shops, or your installation may even have an Army and Air Force Exchange Service for tax-free shopping.

Keep in mind, our thoughts can be powerful and drive impulsive behavior and strong feelings. If you notice you're over-experiencing an emotion like guilt or shame, it may be because your brain is interpreting your environment with a narrow scope, that you're not measuring up, or causing harm to your family. Grab control over your thinking and remind yourself that you're making smart choices for the well-being of your family and your behavior is aligned with your goals.

If you need to change your residence, work with the installation housing office. Also, your installation's 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. Your installation's Legal Services Office can review your lease agreement free of charge.

Finally, if you need to replace your current vehicle, work with your installation's Family Support Center for tips on car buying and child safety restraints.

Other Considerations



INSTRUCTOR NOTE: Distribute *Military Consumer Protection*, *Sources of Help for Military Consumers*, and *Free Credit Monitoring* 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 installation's Legal Services Office for more information.

Like you would for yourself, it's also a good idea to check credit reports for

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.

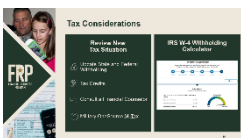
Here are a couple of resources to help those of you with questions about credit:

The Personal Financial Manager or Counselor at your installation Family Support Center can help you interpret your reports and discuss what you need to do to improve your score.

Active duty Soldiers may also be eligible for **free credit monitoring** from each of the reporting agencies. This service warns you about new activity on your credit report.

Additional free services are available to active duty Soldiers 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 10

Tax Considerations

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. Be mindful of tax credits associated with dependents 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. Military OneSource also offers free access to tax consultants by phone, in person, and via chat. For more information, visit <https://www.militaryonesource.mil/financial-legal/tax-resource-center/>.

Insurance



SLIDE 11



INSTRUCTOR NOTE: Distribute *TRICARE Overview* handout.



SLIDE 12

Health Insurance

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

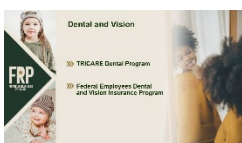


ACTIVITY: Take two to three minutes to review the *TRICARE Overview* handout. Tell attendees to visit <https://www.tricare.mil/> to find out more about their options. Advise the class that new children should be added in DEERS before they can be enrolled in TRICARE.

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

Members of the Guard and Reserve 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 you are married and your spouse is not covered by other health insurance, contact TRICARE to discontinue coordination of benefits, so that TRICARE is the spouse's primary insurance.



SLIDE 13

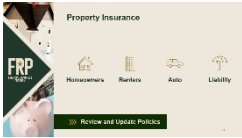
Dental and Vision

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

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

Your family may also be eligible to enroll in a vision plan through the Federal Employees Dental and Vision Insurance Program (FEDVIP). Dependents must also be enrolled in a TRICARE health plan and be family of an active duty or member of the Reserve. FEDVIP vision plans vary in coverage and cost. They may include routine eye exams, eyeglasses, and contact lenses. Learn more about plans, eligibility, and costs at <https://www.benefeds.com/>

and <https://www.tricare.mil/CoveredServices/Vision>.



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Property Insurance

Review and update your homeowners/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 they were before. For example, new friends may bring their children to your home. Be sure you have enough liability insurance to cover injuries to playmates that may occur 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 at the ACS or Family Support Center.

Purpose of Life Insurance



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Life insurance offers protection for your growing family in the event of your death. As a new parent, you have children who depend on your income or you may want to leave behind a legacy or money for your family. If so, you'll want to make sure you have life insurance. Should you pass away, the amount of your coverage would go to a named beneficiary or beneficiaries. One goal is to reduce the financial hardship on loved ones in this scenario.

Now that we have an understanding of the purpose of life insurance, let's review your options for coverage.

Life Insurance Overview



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To accommodate your growing family, you should pause to evaluate your life insurance needs to ensure you have enough of the right type of coverage.

Servicemembers' Group Life Insurance (SGLI)

You're automatically insured for \$400,000 unless you decline coverage or choose a smaller amount. SGLI covers suicide if the death is determined by the appropriate command level to be in the "Line of Duty."

Members of the Reserve 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)

Family Servicemembers' Group Life Insurance (FSGLI) offers low-cost coverage for spouses and dependent children of Soldiers who are covered by full-time SGLI. Even when a spouse doesn't work outside of the home, losing their contribution to the household could have a negative financial impact, particularly if you have children and you'd need to hire additional help to take care of them.

You can get up to \$100,000 in coverage for a spouse – not to exceed your own SGLI coverage. Premiums are deducted from the Soldier's pay and the cost depends on the spouse's age and coverage amount. Monthly premiums range from \$0.45 to \$45. To learn more, visit www.va.gov/life-insurance/options-eligibility/fsgli/.

Each dependent child is automatically enrolled in FSGLI and covered for \$10,000 when they're enrolled in DEERS. This coverage is provided at no charge; just remember that the sponsor must be covered by SGLI.

You can update SGLI and FSGLI online using the **SGLI Online Enrollment System (SOES)**. Sign in to <https://milconnect.dmdc.osd.mil/milconnect/> and go to the Benefits tab. For more information and a step-by-step guide, visit <https://www.benefits.va.gov/INSURANCE/SOES.asp>.

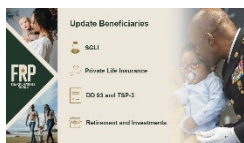
Private Life Insurance Options

If you determine that SGLI is not enough to meet your family's needs, you can look for **term** or **permanent** private life 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 may also build cash value. Term gives you the most coverage for your dollar right now, but permanent insurance may provide the most value over a lifetime.

Be sure to research and understand the costs, benefits, terms, and conditions of any policy you consider purchasing. Watch out for policy exclusions like war clauses and other restrictions that may limit your coverage. Remember that a Personal Financial Manager/Counselor can help you determine the types and amount of life insurance needed to fill any coverage gaps.

Update Beneficiaries

Now is also a good time to update your beneficiaries for all life insurance policies. It is extremely important that Soldiers ensure that their beneficiary



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information is kept up to date.

Did you know that the SGLI Online Enrollment System (SOES) allows Soldiers 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 <https://milconnect.dmdc.osd.mil/milconnect/> and go to the Manage Health Benefits tab, Life Insurance SOES-SGLI Online Enrollment System.

While you are making changes, also update the DD Form 93 (Record of Emergency Data), which identifies the next of kin and whomever you want to designate to receive the Death Gratuity pay out and other benefits. Don't forget to review and update beneficiaries for TSP, which can be done using TSP-3. Make sure beneficiaries are updated on other retirement accounts (401(k), IRA, etc.) and investments.

LIFE Insurance Needs



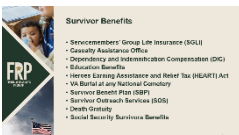
SLIDE 18

With the addition of a new child, you may need to adjust your life insurance coverage. 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 a mortgage, auto loan, or credit card(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:		\$\$\$\$

The VA's Insurance Needs Calculator is also a helpful tool to analyze your life insurance needs. You can find it at <https://insurance.va.gov/NeedsCalculator>.

Survivor Benefits



INSTRUCTOR NOTE: Distribute *Survivor Benefits Overview* handout.

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Now that you're a parent, it's important to know about the survivor benefits that are available to your dependents. Use the *Survivor Benefits Overview* handout to follow along.

In general, all VA benefits and life insurance proceeds are exempt from taxation. **Servicemembers' Group Life Insurance (SGLI)** proceeds that are payable at the death of the insured are excluded from gross income for tax purposes. If SGLI proceeds are paid to your beneficiary in 36 equal monthly payments, the interest portion included in these payments is also exempt from taxation. Don't forget to double-check whom you've named as your beneficiary.

The **Casualty Assistance Office** provides information, resources, and assistance to the next of kin in the event of a casualty. Its full-time responsibility and mission are to assist families during a difficult time and to ensure your family receives 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 Soldier who died while on active duty, active or inactive duty training, or to survivors of veterans who died from their service-connected disabilities. The basic monthly DIC rate for a spouse is \$1,357.56, and the amount per child is \$336.32.

There are also **education benefits** available, such as the Survivors' and Dependents' Educational Assistance (DEA) program and the Fry Scholarship. To learn more, visit <https://www.va.gov/education/survivor-dependent-benefits/dependents-education-assistance/> and <https://www.va.gov/education/survivor-dependent-benefits/fry-scholarship/>.

The Heroes Earning Assistance and Relief Tax (HEART) Act provides tax and pension benefits to Soldiers who are disabled while on active duty for more than 30 days and to their Survivors if they die on active duty. Visit <https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/The-Heart-Act> for more information.

As for **funerals**, active duty and eligible Reserve and National Guard Soldiers may 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. For more information, visit <https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Burial-and-Memorial-Benefits->

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The Survivor Benefit Plan (SBP) is usually discussed at retirement. However, if you die on while in a duty status, your spouse and/or child may receive this benefit. Speak with a financial counselor or visit My Army Benefits and search for “SBP” for more information. Benefits are calculated as if you retired with 100% disability. Before 2021, if your spouse qualified for DIC, then the SBP is reduced dollar for dollar by the amount of the DIC. The National Defense Authorization Act for fiscal year 2020 changed this. After January 1, 2023, survivors will receive both SBP and DIC. The offset will be reduced by one third for each year starting January 1, 2021 until the offset is eliminated January 1, 2023. The SBP has countless rules and nuances which are not all covered in this training. Speak with a financial counselor or visit [https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Survivor-Benefit-Plan-\(SBP\)](https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Survivor-Benefit-Plan-(SBP)) for more information.

Survivor Outreach Services (SOS) provides long-term support to surviving Families of Fallen Soldiers. Their services include Support Coordinators and Financial Counselors. Their goal is to reassure survivors that they remain valued members of the Army Family. For more information on SOS, visit <https://www.dcs9.army.mil/safr/sos/sos.html>.

The Death Gratuity Program provides for an immediate, tax-free payment of \$100,000 to eligible survivors of Soldiers who die while on active duty or while serving in the line of duty. The death gratuity is the same regardless of the cause of death. It’s normally paid within 72 hours of notification. This is designated on DD Form 93 and can be split among multiple beneficiaries. Also, this will supersede a will.

Social Security Survivors Benefits may also be available to your family, starting with a lump sum of \$255. Monthly Social Security payments are paid to spouses and children under the age of 18 of the deceased Soldier. 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. Visit <https://secure.ssa.gov/RIL/SiView.action> to set up a Social Security Account where you can view future benefits with your loved ones.

Military Retirement

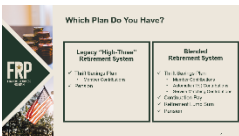


INSTRUCTOR NOTE: Distribute *Military Retirement* handout.

SLIDE 20

Many new parents want to start saving for their child's education but it's important to consider funding your retirement 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. It may seem like a distant goal, but it'll be here before you know it.

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.



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ACTIVITY: Take two to three minutes as a class to review the *Military Retirement* handout. Which retirement system does each Soldier fall under? Cover the different components of each retirement system. For BRS, emphasize the importance of contributing to the TSP to receive the Service matching contribution. 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!

Paying for College

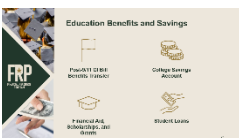


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INSTRUCTOR NOTE: Distribute *Education Benefits and Savings* and *Paying off Student Loans* handouts.

Once you've started investing for retirement, you may want to start planning and saving for your child's education. Parents may choose from a variety of college savings accounts, scholarships, grants, financial aid, student loans, and self-funded strategies to pay for 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!



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ACTIVITY: Take two to three minutes as a class to review the *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

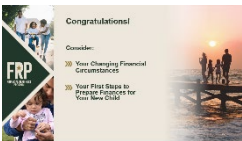
If you still have student loans, it is important for you to continue making it a priority to pay them off, as this debt can keep you from achieving other financial goals.

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

Summary



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SLIDE 25

Congratulations on your new child!

We've reached the end of today's training, now let's take a moment to recap what was covered.

- 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.

Consider these two ideas:

1) Write down your goals, talk with a significant other, or make a mental note of your thoughts, concerns, or "to do" items regarding your changing family and financial circumstances.

2) Think about the first step you are going to take to prepare and manage your finances with a new child. Be specific. Start small. Prioritize items on your list based on what is most important to you and your family and in your control.

Resources



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Finally, let's review the resources available to assist you as welcome a new child into your family

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

If you feel confident in the financial plan you have created but are having trouble staying on track, contact an R2 Performance Center to get one-on-one coaching. Your performance coach can give you techniques to keep you motivated and help you overcome obstacles, like unproductive thinking and bad habits. To find an R2 office, please visit

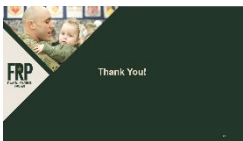
<https://www.armyresilience.army.mil/ard/R2/index.html>.

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

Remember your financial resources for securing the financial frontline!

- Click — Access <https://www.financialfrontline.org>
- Call — Military OneSource at 800-342-9647
- Walk — Come by the local Family Support Center

Thank You!



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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.