



# Pre-Deployment

## Instructor Guide



SECURING THE  
FINANCIAL  
FRONTLINE

# 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**
  - Setting financial goals
  - Spending plan
  - Special pay and entitlements
  - Taxes
- 3. Insurance and Legal Documents**
  - Insurance overview
  - Life insurance needs
  - Legal documents
  - Survivor benefits
- 4. Saving and Investing**
  - Emergency funds
  - Savings Deposit Program (SDP)
  - Calculate your earnings
  - Thrift Savings Plan (TSP)
- 5. Managing Debt and Credit**
  - Financial warning signs
  - Mission readiness
  - Military consumer protections
  - Identity theft
  - Misleading consumer practices
- 6. Summary, Resources and Conclusion**

**TOTAL:** 60 minutes

## II. LEARNING OBJECTIVES

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



1. **TLO:** Identify warning signs of Soldiers at risk for financial problems.  
**ELOs:** Recognize indicators of Soldiers who are financially at risk. Know how to approach at-risk Soldiers with concerns. Understand the duty to warn and confidentiality concerns. Know resources for at-risk Soldiers.
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 the fundamentals of income tax, common tax benefits, and potential changes to a 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 Soldiers.
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 an 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 (combat pay, family separation, etc.).
  11. **TLO:** Discuss TRICARE options and costs.  
**ELO:** Know how to update coverage under TRICARE. (Members of the Guard and Reserve 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 on 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 this guide:

<b>INSTRUCTOR NOTE:</b>	<b>Instructor Note</b> (indicates additional information related to the content for the instructor)
	<b>Checklist and Handout</b> (indicates a Checklist or Handout is associated with the content)
	<b>Learning Activity</b> (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
- *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* Soldier 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
- *Understanding Credit* Handout
- *Free Credit Monitoring* Handout
- *LES* Handout
- *Contribution Limits* Handout

## IV. CONTENT

### Introduction

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#### SLIDE 1

Welcome to the *Pre-Deployment* financial readiness course. This course will help prepare you for the financial aspects of deployment and teach you how to take advantage of certain opportunities to improve your situation.

Hello, my name is \_\_\_\_\_. I am a \_\_\_\_\_.

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

#### Course Purpose and Rationale

The information I'll provide over the next 60 minutes will help you navigate your finances before, during, and after deployment. Having an effective financial plan will help you 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 benefits and potential financial pitfalls of deployment so that you are more financially secure.

***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

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#### SLIDE 2



**INSTRUCTOR NOTE:** Distribute *Pre-Deployment* Soldier Checklist.

There are several financial tasks you need to be aware of before 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



#### SLIDE 3

First, let's discuss some key financial planning topics specific to deployments. They are setting goals, developing a spending plan, 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.

**INSTRUCTOR NOTE:** Ask the audience "Why do we set goals?"

Would you go on deployment without any planning or preparation for the mission? No! So, why not treat your finances the same way? How can setting financial goals help you stay on track to accomplish your financial mission?

### Setting Financial Goals



#### SLIDE 4



**ACTIVITY:** Give the class 60 seconds to think and write down the financial goals they want to accomplish during their deployment. Spend two minutes asking for a few of them to tell the class their financial goals.

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 the number "1" next to your highest-priority goal and work down from there.

**INSTRUCTOR NOTE:** Ask a Soldier 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 them. There are **short-term** goals, like saving for a vacation when you return from deployment, and **long-term** goals, like saving for a down payment on a house. Knowing if the goal is short or long term will help you decide where to save your money.

For those who are married or have a significant other, it's important to



discuss your financial goals with your partner to make sure you are both informed and on the same page. When you and your partner establish goals together, it can increase trust, buy-in and accountability. Financial planning can be stressful at times so ensuring you and your partner are aligned on goals and the strategies to achieve them will ultimately improve communication skills, reduce stress, and any negative assumptions about each other and/or casting blame.

For those who are not married, telling someone such as a trusted friend or even someone in this class about your financial goals can help keep you motivated and accountable.

One way to focus your efforts when it comes to setting goals is to use the acronym SMART. SMART goals are **S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**ime-bound. The purpose of SMART goals is to provide a framework to clearly define your goals and track them over time.

**INSTRUCTOR NOTE:** Ask the audience how they would define each of the SMART terms or have them give examples.

So, now that you understand what SMART goals are, let's go through an example.

## SMART Activity



### SLIDE 5

**INSTRUCTOR NOTE:** Present SGT Sanders' example below and then ask the audience if it meets each of the SMART criteria. Use the slide to show the criteria.

SGT Sanders currently has a vehicle that is always breaking down and has decided that he will buy a vehicle when he returns from deployment. Let's walk through an example using the SMART goals you learned about on the previous slide.

SGT Sanders states that he will save \$334 per month for nine months to put a \$3,000 down payment on the vehicle.

Is SGT Sanders' goal **Specific**? Yes, it is specific; it tells us what he is trying to accomplish. He wants to buy a vehicle.

Is the goal **Measurable**? Yes, he will save \$334 per month, and he can check his savings account to see that money accumulate.

Is the goal **Achievable**? Yes, since SGT Sanders is deployed, he may be earning extra money and/or have fewer expenses, so it is reasonable for him to save for this goal.

Is the goal **Relevant**? Yes, purchasing a vehicle is necessary for SGT Sanders to get to work.

Is the goal **Time-bound**? Yes, he will save during his deployment timeframe of nine months.

As you can see from SGT Sanders' example, using the SMART goal method will help you to define your goal, make realistic plans to succeed, and track your progress over time. As you are setting and prioritizing your goals, think about why this goal is important to you. If you know the “why” behind your goal, you are typically more likely to stay motivated in the long run and continue to make progress to succeed.

## Spending Plan



**INSTRUCTOR NOTE:** Distribute *Spending Plan Worksheet and LES* Handout.

### SLIDE 6

You will need to create a spending plan before deploying to allocate your money while you're gone. It should account for all of your expenses and any savings accounts that you would like to contribute to. Determine if you will take care of your own finances or if you will have a trusted loved one or friend assist you. Either way, you should start to have those conversations now so that it doesn't cause stress or friction while you are gone and unable to easily fix things.

If you're married, will your spouse be the one in charge of paying bills? How might this add to each of your stress levels? Now is the time to sit down with your spouse/significant other, as income and expenses will likely change and you both need to be aligned.

If you are single and plan to have someone assist you with your finances, start the conversation now on how that will work.

A deployment creates a stressful environment and having a plan for how expenses will get paid, what financial goals you would like to accomplish, and setting up regular “check-ins” will help all who are involved. You can sit down with a Personal Financial Manager (PFM) or Personal Financial Counselor (PFC) at your installation Family Support Center to assist you with starting those conversations, especially if there are high emotions involved.

But in general, from the research on spending plan follow-through, it is important to also consider the obstacles that get in your way. In your plan, you should consider what areas of spending are the biggest challenge to meeting your goals (i.e., buying specialty coffee, online shopping or overspending on hobbies). Create a contingency plan to help you avoid excessive spending in those areas. For example, “When I feel like getting a coffee at Starbucks, I will...[enter contingency plan].”

For deployment specifically, it’s a good idea to set up **automatic bill pay** before you leave and to notify your bank, credit card companies, and any loan providers that you will be deployed. These institutions may lower your interest rates, or they may need a POA for your spouse or other designated person to make decisions while you’re away. Remember, it’s important to make sure all of your expenses are paid, without interruption, while you are deployed.

But first, you first need to understand how deployment will affect your cash flow before putting together a spending plan. Remember, as you make decisions, stay focused on your SMART goals.

### **Income Changes**

You may have **increased income**. You could qualify for the Combat Zone Tax Exclusion (CZTE) 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 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 if federal income taxes are not withheld from your pay.

### **Expense Changes**

You may find you have reduced expenses in addition to increased income while deployed. 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. Can you think of some living expenses that might **decrease** while you’re gone?

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**INSTRUCTOR NOTE:** Reduced expenses could include entertainment expenses, meals out, utilities, rent, gas, or car insurance premiums (if your car is placed in storage).

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Can you think of some living expenses that might **increase** while you’re gone?

**INSTRUCTOR NOTE:** Keep in mind, while a lot of expenses could decrease, you could find that some increase. Examples of new or increased expenses could include storage, child care, yard work, and travel of dependents to be with other family members.

**INSTRUCTOR NOTE:**

Go to <https://www.dfas.mil/MilitaryMembers/payentitlements/Pay-Tables/IDP-Areas> for a list of Imminent Danger Pay areas.

The current IDP pay amount can be found by going to <https://militarypay.defense.gov> and searching for “IDP.”

There’s a good chance deployment will leave you with excess cash flow that you can use toward your financial goals. Ask yourself, what could you do with any extra funds you may have to invest in your financial future?

**Members of the Guard and Reserve** — When a member of the Guard or Reserve is put on Title 10 orders and deployed, their base pay may be higher or lower than their civilian job. To fully prepare for deployment and post-deployment situations, visit <https://www.dol.gov/agencies/vets/programs/userra> for information on employment and reemployment rights.

## Special Pay and Entitlements



### SLIDE 7

Here’s a list of the special pay and entitlements you might receive during your deployment in addition to your normal pay and allowances. For more information visit <https://militarypay.defense.gov/Pay/>, and <https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits?type=life%20event>.

**Hostile Fire Pay/Imminent Danger Pay (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 Soldiers will not receive more than \$225 per month. Soldiers cannot receive both HFP and IDP in the same month.

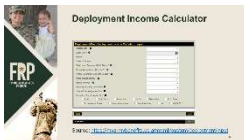
**Family Separation Allowance (FSA)** — If you are away from your dependent Family members for 30 continuous days, you may also qualify for FSA, which is \$250 per month. You must submit “DD Form 1561” to qualify. FSA starts accruing from the day of departure from your home station and ends the day before arrival back at your home station.

Note for dual military couples: Married military members are both eligible to receive full FSA (\$250 each for a total of \$500) when they reside together with their dependents immediately before both being assigned to qualifying duty assignments. The dual allowance continues until one of the members is no longer assigned to a qualifying duty assignment. The other member will continue to receive FSA until no longer assigned to a qualifying duty assignment. Visit [https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Family-Separation-Allowance-\(FSA\)-](https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/Family-Separation-Allowance-(FSA)-) for more information.

**Hardship Duty Pay (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 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 per month. There are three types of HDP, and if you qualify, you may receive a higher amount of pay, up to \$150 per month.

**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. All Soldiers will retain their Basic Allowance for Subsistence (BAS). A per diem amount of \$3.50 is provided, unless otherwise stated on your orders. Although this is only a small amount, it can add up. You must file a travel claim to receive this entitlement.

## Deployment Income Calculator



### SLIDE 8

The **Deployment Income Calculator** will assist you in estimating what your income will be once you are deployed. Visit <https://myarmybenefits.us.army.mil/custom/deployment/input>. There, your estimated monthly pay for the month before and after the event date will be displayed. You may select any month to see the breakdown. Be sure to do this on your own time, with your loved ones, to see all of the benefits so you're better prepared for deployment.

Be sure to review the *LES* Handout for guidance on how to best review your income to ensure you're receiving accurate pay. Any overpayments must be paid back. Likewise, an oversight could result in a "no pay due" situation, so be sure to double check.



**ACTIVITY:** Ask the class to calculate SGT Sanders' pay and entitlements when he gets deployed to a combat zone.

SGT Sanders is being deployed to a designated combat zone for nine months, as we discussed for SMART goals. Let's calculate what special pay



served in a combat zone may receive the tax exclusion for the months they were present in a combat zone.

*One Is Military and Served in a Combat Zone* — The spouse who served in a combat zone may receive the tax exclusion for the months they were present in a combat zone.

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 at <https://www.dfas.mil/militarymembers/payentitlements/Pay-Tables/CZ1>.

Detailed CZTE information can be found in [IRS Publication 3: The Armed Forces' Tax Guide](https://www.irs.gov/individuals/military/tax-exclusion-for-combat-service), which can be found at <https://www.irs.gov/individuals/military/tax-exclusion-for-combat-service>.

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. However, you still have to file something, whether it's your taxes or the extension.

Where you claim 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 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 this 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 (POA) may also be required.

Soldiers can consult IRS Publication 3: The Armed Forces' Tax Guide to review the detailed tax rules that apply.

**INSTRUCTOR NOTE:** The Armed Forces' Tax Guide can be found at <https://www.irs.gov/forms-pubs/about-publication-3>. Reference the CZTE Handout for resources.

Military OneSource provides Soldiers and their families with FREE access to a suite of tax services, including 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.

## Insurance and Legal Documents



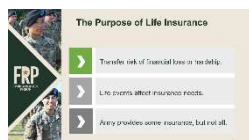
### SLIDE 10



**ACTIVITY:** Take one minute and have the class, in one word or short phrase, explain what life insurance means to them.

**INSTRUCTOR NOTE:** Examples of possible answers may be “protection,” “income,” “legacy,” “money,” or “peace of mind.”

## The Purpose of Life Insurance



### SLIDE 11

If you have people who depend on your income or you want to leave a legacy or money for a loved one, 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 a high-level idea about the purpose of life insurance, let’s review your options for coverage.

## Insurance Overview



### SLIDE 12

### Servicemembers’ Group Life Insurance (SGLI)

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 Soldiers recover from a severe injury. For eligibility requirements or more information, visit <https://www.va.gov/> and search for “TSGLI.”

Be sure to review your SGLI beneficiaries often, especially before you deploy. Remember, who you designate as your SGLI beneficiaries will not change unless you change it. If you’ve had a life event occur (marriage, divorce, etc.), be sure to update your SGLI beneficiaries.



## Private Life Insurance Considerations

If you're looking for additional life insurance, it may be difficult to obtain a policy if you already have orders to deploy. In that case, search for insurance companies willing to issue policies to Soldiers 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 is often more expensive, but also builds cash value. Term coverage is typically less expensive than permanent insurance for the duration of the term. You should consider what you need to protect, for how long, and what you can afford.

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 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: You're looking for life insurance, which generally covers any cause of death (some exceptions may apply); watch out for policies like "accidental death and dismemberment." They are not a replacement for life insurance.

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.

Life insurance isn't your only protection consideration. Let's briefly discuss medical and other insurances to review before deployment.

## 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 a 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 civilian policy for any restrictions.

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.

### Auto, Homeowners, Renters, Dental

Review and update all of 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.



**INSTRUCTOR NOTE:** Distribute *TRICARE Overview* Handout.

## Life Insurance Needs



**ACTIVITY:** Ask the class to calculate their life insurance needs. Allow two minutes to complete this activity.

### SLIDE 13

Now that we've reviewed the purpose of insurance along with the types of coverage available, let's turn our attention to what you might actually need in terms of life insurance specifically.

Here's a simple way to calculate your life insurance needs using the acronym **LIFE**.

- **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 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 any 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 Personal Financial Manager (PFM) or Personal Financial Counselor (PFC) at your local Family Support Center to learn more.

Spouses need to review their insurance coverage as well. They should follow the same LIFE acronym guidelines and keep in mind, even if there is no income to replace at the moment, child care needs would be a potential factor should a spouse pass away and leave dependent children.

## How to Change Your SGLI



### SLIDE 14

After this needs analysis exercise, if you've determined you need to update your SGLI, you can now manage your 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 <http://www.dmdc.osd.mil/milconnect> and go to the Benefits Tab, Life Insurance SOES (SGLI Online Enrollment System).

## Legal Documents



### SLIDE 15



**INSTRUCTOR NOTE:** Distribute *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. Be

sure to discuss and review your plan with your loved ones.

### 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
- Expressing your religious preference
- Updating beneficiaries of life insurance policies such as SGLI, 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. Keep in mind that those you designate as a beneficiary will supersede a will. In addition, terms of a divorce decree may also supersede a will.

For example, SGT Sanders may have his spouse listed in his will, but unless his spouse is also listed as a beneficiary, his spouse may not receive the money from his SGLI policy.

Your nearest Legal Office can help you create and update these documents. After you create them, make sure to safeguard your documents and inform the right people in your life where to find them.

## Survivor Benefits (while on active duty)



**INSTRUCTOR NOTE:** Distribute *Survivor Benefits Overview* Handout.

## SLIDE 16

Now that we’ve reviewed insurance coverage and legal information from the Soldier’s perspective, let’s turn our attention to the survivors’ and dependents’ perspective.

### Servicemembers’ Group Life Insurance (SGLI)

In general, all VA benefits and life insurance proceeds are exempt from taxation. 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.

**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**, most active-duty Soldiers 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.

**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. 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/> and search for "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.dcsq9.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.

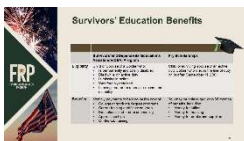
## Update Beneficiaries



### SLIDE 17

**Review and update beneficiaries** at major life events to ensure that the forms are still up to date. The DD Form 93 (Record of Emergency Data) identifies the next of kin for the pay out of the Death Gratuity. Update your beneficiaries on SOES for the SGLI payout of the life insurance and the TSP-3 for the payout of your Thrift Savings Plan. You should also ensure that your beneficiaries are updated on other retirement accounts (401(k), IRA, etc.).

**Legal ramifications** can occur if beneficiaries are not listed and/or updated. The TSP and any additional life insurance, retirement, and employer-sponsored plans pay out according to the designation of beneficiaries. If they are not designated, the benefits will go in the Statutory Order of Precedence (spouse, child, parents, executor, etc.). If you have designated the benefits, but not updated them, the benefits will go to the last person on file. This is the same for the DD Form 93 and SGLI. For example, you had your parents listed on your DD Form 93 and SGLI, but then you got married. If you didn't update your forms, in the event of your death, everything would go to your parents.



### SLIDE 18

## Survivors' Education Benefits

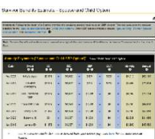
Surviving spouses and dependents of Soldiers may be eligible for the Survivors' and Dependents' Educational Assistance Program or the Fry Scholarship.

## Education Benefits

- The **Survivors' and Dependents' Educational Assistance (DEA)** program offers education and training opportunities to eligible dependents of Soldiers who die while on active duty or veterans who are disabled or die as a result of a service-connected condition. Visit <https://www.va.gov/education/survivor-dependent-benefits/dependents-education-assistance/> for more information.
- The **Fry Scholarship** is available for eligible children or spouses of active-duty Soldiers who died in the line of duty on or after September 11, 2001. Visit <https://www.va.gov/education/survivor-dependent-benefits/fry-scholarship/> for more information.



### SLIDE 19



## Survivor Benefits Calculator

**INSTRUCTOR NOTE:** Be advised this is an animated slide. On the slide, click through to show Soldiers the step-by-step screenshots of the Survivor Benefits Calculator. The screenshots have also been included to the left for your awareness.

Plan for the future of your dependents by viewing your Survivor Benefits Reports at <https://myarmybenefits.us.army.mil/Benefit-Calculators/Survivor-Benefits>. Visit this website to review the related fact sheets and use the calculator to see how your Survivor Benefits might change. There is a separate calculator for active duty and members of the Guard or Reserve. This calculator requires you to log in, as it pulls your information.

Here is what you will encounter after you log on. First you must input your personal and military information. Then, add your spouse and children's information.

Next, you will enter your Primary Insurance Amount (PIA) and additional data as necessary. Then select "Calculate" at the bottom right on the screen.

Here is an example estimate that includes a spouse and child option.

It is a good idea to perform this "what if" exercise with your loved ones, print it, and put it in a safe place.



### SLIDE 20

## Saving and Investing

Now, let's move on to our next topic: Saving and Investing.





## SLIDE 21

# Emergency Funds

One of the best ways to avoid financial stress is to have 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.

If you have loved ones at home while you're deployed, chances are they could face an unexpected expense such as an appliance repair or flat tire.

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 by automating your savings. Determine an amount to set aside each paycheck and set up an automatic transfer or allotment to begin saving.

How could we turn this emergency savings goal into a SMART goal?

## Savings Deposit Program (SDP)



## SLIDE 22

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
- one day in each of three 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. Be aware the interest earned on the account IS taxable.

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 will be 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.

## Calculate Your Earnings



### SLIDE 23

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 0.025 (10% divided by four quarters). The result is approximately how much interest you would earn without putting your money at financial risk. Note that interest is taxable.

You can learn more by visiting <https://www.dfas.mil> and searching "Savings Deposit Program."

## Thrift Savings Plan (TSP)



### SLIDE 24



**INSTRUCTOR NOTE:** Distribute *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). As discussed, you qualify for CZTE if you are assigned or on official temporary duty to a designated combat zone or qualify for Hostile Fire/Imminent Danger Pay. Your pay may be excluded from federal income taxes. 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.

Under normal circumstances, with no deployment to a combat zone, Soldiers can make TSP contributions up to the amount of the IRS Annual Elective Deferral Limit. When deployed to a designated combat zone, the IRS Annual Addition Limit is used instead.

Since this limit applies to all contributions made to a Soldier's account, the maximum permitted contribution by a Soldier will be the Annual Addition Limit minus any service-provided Automatic (1%) and Matching contributions made under the Blended Retirement System (BRS). Those not covered under the

BRS will be able to contribute up to the full limit. Additionally, catch-up contributions 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 (1%) and matching contributions, will all be made to the participant's Traditional TSP account. Because of this limit, Soldiers wishing to maximize Roth account contributions while in a combat zone will often fund a Roth IRA as well.

If you are under the BRS, keep an eye on the IRS limit, especially if you are going to return in the same calendar year. You don't want to miss out on matching contributions you were eligible for, just because you went over the limit!

Members of the Guard or Reserve must be careful not to exceed the IRS limits for their TSP and/or civilian retirement plan, especially if they are under the BRS.

Visit the following websites for more information:

<https://www.tsp.gov/publications/tspfs08.pdf> and <https://www.irs.gov>.

Review the *Contribution Limit* Handout for current 2021 limits.

## Managing Debt and Credit



### SLIDE 25

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 topics, starting with how to know if you are struggling with debt, and resources to help you recover.

## Financial Warning Signs



### SLIDE 26



**INSTRUCTOR NOTE:** Distribute *Financial Warning Signs* Handout.

Deploying with confidence is harder if you're struggling financially. Review these possible indicators of financial trouble. Consider whether any of them apply to you, your fellow Soldiers, or those you lead. Let's discuss a few resources available to help.

**Army Emergency Relief (AER).** If you have dependents, it is recommended that you either provide them with a special POA or sign an AER authorization form in order for them to obtain financial assistance from the AER for an emergency.

In addition to a spouse, a child, parent, or ward can request AER assistance on behalf of the Soldier. Spouses of deployed Soldiers do not require approval from the Soldiers' immediate commander to receive AER assistance. They must have a valid special Power of Attorney, or the approval authority can seek verbal concurrence via telephone, or email concurrence via a common access card (CAC) account from the Soldier for the spouse to obtain AER funds using AER Form 53 (Special POA).

The AER offers financial assistance, grants, and zero interest loans to Soldiers who are experiencing financial hardships. Visit <https://www.armyemergencyrelief.org> for more information.

The **American Red Cross** works in partnership with military aid societies to provide quality, reliable financial assistance to eligible applicants 24/7/365. Assistance can include funds for emergency travel, burial of a loved one, emergency food and shelter, etc. You can submit a request online or call the American Red Cross at (877) 272-7337.

Recognize that overcoming these warning signs and recovering financially requires action. Nothing will change if helplessness and negative thoughts block your purposeful action. The key is to focus on where you have control and develop actions to help you get the ball moving in the right direction.

## Mission Readiness

Your own financial readiness leads to mission readiness; that's why it is so important.



### SLIDE 27



**INSTRUCTOR NOTE:** Help them see how the values of **Loyalty, Duty, Respect, Selfless Service, Honor and Integrity**, and **Personal Courage** connect with the responsibility for the future, fulfilling financial commitment, and paying 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. You have many resources for help such as <https://www.financialfrontline.org>, Military OneSource, and your local Family Support Center. Assertive communication with your leadership could enhance openness and trust. Worrying about the "what ifs" of notifying

leadership could result in higher levels of stress, adrenaline, etc. which are already likely heightened due to the upcoming deployment.

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 Soldiers is in financial trouble, have a private one-on-one discussion. Reassure them that you have a duty to keep their problems confidential; however, you still have a duty to warn if there are threats to oneself or others. Conversations about money can be difficult. To get the conversation started, consider writing out a clear plan to specifically outline your concern and give data to help them understand the scope of the issue.

Be direct and understanding of the Soldier's situation. Let them know you're concerned about their well-being and ask if the Soldier is having financial problems. Help connect them to the resources that can help get their financial house back in order. You may even want to refer your Soldier to the Personal Financial Manager (PFM) or Personal Financial Counselor (PFC) at your local Family Support Center to learn more.

## Military Consumer Protections



**INSTRUCTOR NOTE:** Distribute *Military Consumer Protection, Understanding Credit, and Paying off Student Loans* Handouts.

### SLIDE 28

Now, let's talk about credit management — loans, credit cards, and other debts.

Refer to the *Understanding Credit* Handout to learn about the factors that go into your credit score. As you prepare for deployment, there are opportunities to protect your credit reputation.

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. You can visit <https://www.annualcreditreport.com> to request a free copy of your credit report from each of the three major credit bureaus. Your credit report shows all of the current credit that's open in your name, as well as your history.

Everyone, including civilians, is 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 on what to do at <https://identitytheft.gov>.



**INSTRUCTOR NOTE:** Distribute *Free Credit Monitoring Handout*

Active duty Soldiers 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 Personal Financial Manager (PFM) or Personal Financial Counselor (PFC).

## Servicemembers Civil Relief Act (SCRA)



### SLIDE 29

It's important to know your rights. The **Servicemembers Civil Relief Act (SCRA)** is a program that provides certain protections in lending for Soldiers who are called to active duty. It has the ability to terminate cell phone, cable, and internet contracts; terminate residential and auto leases; postpone foreclosures and evictions; offer installment contract protection; put a 6% interest rate cap on debts incurred before active duty; provide a stay of certain civil court proceedings; delay enforcement related to certain taxes, including personal and real estate property taxes; and provide life insurance coverage protections.



## SLIDE 30

# Military Lending Act

While you're on active duty, the **Military Lending Act (MLA)** limits the amount a creditor may charge on a wide range of credit products to 36% Military Annual Percentage Rate (MAPR). In addition to interest, the MAPR also includes fees, charges for debt cancellation and suspension, and costs of the additional credit products such as credit insurance.

Take advantage of student loan programs offered to deployed Soldiers. You are legally entitled to have interest on certain student loans suspended for the duration of your service while deployed in a combat zone.

Members of the Guard or Reserve 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.

If you need help asserting your rights with your lenders, or have questions about your legal obligations, get help from your nearest Legal Office.

## Identity Theft



## SLIDE 31

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 Army's Personally Identifiable Information regulations, which are found in AR 25-22, The Army Privacy Program. Visit [https://armypubs.army.mil/epubs/DR\\_pubs/DR\\_a/pdf/web/ARN13587\\_R25\\_22\\_FINAL.pdf](https://armypubs.army.mil/epubs/DR_pubs/DR_a/pdf/web/ARN13587_R25_22_FINAL.pdf) for more information.

In managing your personal affairs, there are many ways to defend against identity theft:

- Safeguard your wallet, checkbooks, ID cards, credit cards, and 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 by visiting <https://www.optoutprescreen.com>.
- Opt out of marketing phone calls by visiting <https://www.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.

## Misleading Consumer Practices



**INSTRUCTOR NOTE:** Distribute *Sources of Help for Military Consumers* Handout.

### SLIDE 32

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. 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. Contact your Legal Office if you're not sure where to direct your complaint.



## Summary and Resources

Now, let's take a few minutes to recap what we've talked about today.

### SLIDE 33

## Summary



**ACTIVITY:** Ask a few participants to explain their key takeaways from today's course.

### SLIDE 34

Let's recap what you learned:

- Financial Planning
- Insurance and Legal Documents
- Saving and Investing
- Manage Debt and Credit
- Resources



## SLIDE 35

### Resources and Conclusion

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Please read through your Checklist and Handouts. Refer to them as you continue to prepare for deployment. They are a great resource to help navigate the financial decisions you'll need to make.

Consider these two ideas:

- 1) Write down, talk with a partner or make a mental note of your thoughts, concerns or “to do” items for your deployment.
- 2) Think about the first step you are going to take with regard to preparing and managing your finances for your upcoming deployment. Be specific. Start small. Prioritize items on your list based on what is most important and in your control.

Remember, 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



## SLIDE 36

### Thank You

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Thank you for participating, and I wish you the best on your deployment and a safe return home.