



Disabling Sickness or Condition

Instructor Guide



**GUARD
YOUR
FINANCIAL
FUTURE**

PERSONAL FINANCIAL MANAGEMENT PROGRAM

I. COURSE ORGANIZATION AND OUTLINE

The *Disabling Sickness or Condition* course is **organized into nine parts**:

1. **Introduction and Agenda** (2 minutes)
2. **Basic Finance** (10 minutes)
3. **Consumer Protections** (5 minutes)
4. **Major Purchases** (5 minutes)
5. **Planning for the Future** (20 minutes)
6. **Compensation, Benefits, and Entitlements** (10 minutes)
7. **Saving and Investing** (5 minutes)
8. **Caring for Aging Parents** (5 minutes)
9. **Summary and Resources** (3 minutes)

TOTAL: 65 MINUTES

II. LEARNING OBJECTIVES




Terminal Learning Objectives (TLOs)

1. Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.
2. Understand the fundamentals of income tax and common benefits, and potential changes to tax situation.
3. Comprehend the components of the Service member's military retirement system and the importance of preparing for retirement.
4. Discuss the reasons, needs, types, and options for purchasing insurance.
5. Understand purpose and implications of estate planning (e.g. beneficiaries, wills, trusts, power of attorney).
6. Discuss TRICARE options and costs.
7. Discuss survivor and dependent benefits, including Survivor Benefit Plan and Servicemembers' Group Life Insurance.
8. Recognize the importance of and be able to develop savings and an emergency fund.
9. Understand education financing, to include available benefits, obligations, and repayment options.

III. CHAPTER PREPARATION

Sections labeled “**INSTRUCTOR NOTE:**” include additional information for instructor background, as well as activities that provide practical application of key learning points. Instructor notes contain an icon and appear in a shaded text box for easier recognition.

CONTENT ICONS — The following icons are used throughout the guide:

<div>INSTRUCTOR NOTE:</div> <div>  </div>	<p>Instructor Note – (indicates additional information related to the content for the instructor)</p> <p>Checklist and Handout – (indicates a checklist or handout is associated with the content)</p> <p>Learning Activity – (indicates a learning activity)</p> <p>Video – (indicates an optional video)</p>
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INSTRUCTOR NOTE: Being prepared for training promotes organization, projects a positive image, and reduces stress.

Be prepared to discuss the checklist and handouts 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. An in-depth review of each handout is not required but you are encouraged to manage time, course work, and audience interest during instruction.

Throughout the presentation, the checklist and handouts will be identified with an icon on the PowerPoint and an Instructor Note in this Instructor Guide.

Materials and equipment needed:

- Computer with display
- *Disabling Sickness or Condition* course PowerPoint slides

Optional:

- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils

Forms and Handouts:

- *Disabling Sickness or Condition* Member Checklist
- Course sign-in sheet
- Course evaluations

Optional:

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

Videos:

<https://finred.usalearning.gov/SPL/ServiceResources/CoastGuardResource/DisablingCondition>

IV. CONTENT



SLIDE 1

Introduction

Facilitator Introduction

Introduce yourself.

Hello, my name is _____.

I am a _____.

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

It can be incredibly overwhelming if you or a family member – whether it's a child or an adult – experiences a disabling sickness or condition. To help ease some of the burden, you'll want to gather as much information as possible about the condition and discuss important issues with others who will be impacted by the situation.

***Disclaimer:** The information provided in this course does not constitute a formal endorsement of any company, its products, or services by the Coast Guard. Specifically, the appearance or use of external hyperlinks does not constitute endorsement by the Coast Guard of the linked websites, or the information, products, or services contained therein. The Coast Guard does not exercise any editorial control over the content you may find in these resources. The intent is to provide informative material to assist Coast Guard members and their families in identifying or exploring multiple options.*



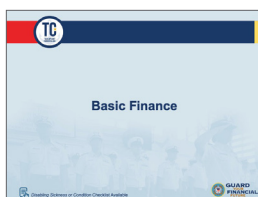
SLIDE 2

Agenda

Today we will cover several key financial tasks to consider if you or a family member experience a disabling sickness or condition. To help prepare for these tasks, we will discuss seven topics: **Basic Finance**; **Consumer Protections**; **Major Purchases**; **Planning for the Future**; **Compensation, Benefits, and Entitlements**; **Saving and Investing**; and **Caring for Aging Parents**.



ACTIVITY: Ask your students about their households. Are they married or single? Are they Active Duty or in the Reserves? Who has the disability — spouse/child/parent/Coast Guard member? Answers to these questions can help you prioritize discussion topics throughout this course. Keep this activity to 60 seconds.



SLIDE 3

Basic Finance



INSTRUCTOR NOTE: Play the optional video, *Spending Plans and Emergency Funds*.

Caring for a loved one or even yourself with a disabling condition can have quite a bit of unexpected costs. This is a good time to create a baseline of your expenses, debt payments, reevaluating what is a need versus a want, and establish an emergency account when these expenses arise. If you don't have a current family budget, now is a good time to establish one. For those who do have a budget, now is a good time to review and update.



SLIDE 4

Spending Plan



INSTRUCTOR NOTE: Distribute the *Goal-Setting Worksheet* and the *Spending Plan Worksheet* Handouts.

We'll start by looking at your personal spending plan or budget, which you can update using the *Spending Plan Worksheet* Handout.

Remember, a good spending plan helps you manage your money, plan for your financial goals, and prepare for emergencies. Here are four tips financial experts suggest could help you get started on your new journey. These four steps are also listed on your checklist.

Step 1 — Understand your current situation

In this step, it's important to understand what's REALLY going on with your money today. Start tracking all your income and spending for the next 30 days. How you do the tracking is up to you, but what's important is you do it.

Step 2 — Know where your money should go

Financial experts offer these general guidelines when budgeting your money:

- Try to save and/or invest 10% – 15% of pretax pay.
- Strive to keep transportation expenses including car payments, insurance, gas and maintenance to 15% – 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, and maintenance to your Basic Allowance for Housing (BAH) or 25% – 30% or less of pretax pay.

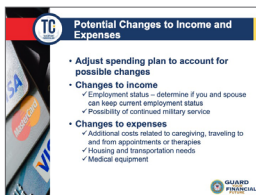
Step 3 — Create a plan

Build a plan for setting aside money and putting limits on how much you'll spend each month per category.

- Prioritize your financial goals with the *Goal-Setting Worksheet* Handout as a guide.
- Establish an emergency fund. Financial experts suggest keeping at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.

Step 4 — Make adjustments

Update your spending plan as your life changes. Monitor your plan until you have fully adjusted your finances to reflect your new situation.



SLIDE 5

Potential Changes to Income and Expenses

Adjust spending plan

As a result of you or your family member's disabling sickness or condition, you may experience significant changes to your income and expenses. It is important to consider how these changes will impact your daily life and your goals for the future.

INSTRUCTOR NOTE: Ask the class if anyone would like to share the kinds of changes they've experienced in their spending plans due to a disabling sickness or condition.

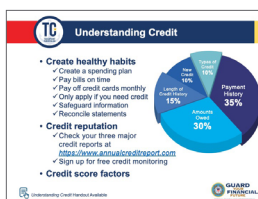
Everyone's situation is unique so it is important to understand how your financial inflows and outflows may change. Your spending plan is a great tool that can help you keep track of your resources and understand where you may need to make adjustments. A good first step is to assess your current situation and understand what your new normal may look like.

Changes to income

The disability experienced in your family may impact you or your spouse's employment status. Discuss if you or your spouse may be required to leave a job to be a caregiver, and how that decision affects your finances. The disability may impact your ability to continue serving in the Coast Guard. If this is the case, consider whether or not you will be medically separated or retired due to the disability.

Changes to expenses

Take a close look at how the expense side of your spending plan may change. Will you have additional expenses due to caregiving, traveling to and from appointments, or therapies? Your housing and transportation needs could change. If you need to modify your home or if you're considering making a major purchase to accommodate your new situation, understand how these changes impact your spending now and in the future. Factor in costs associated with medical equipment and support.



SLIDE 6

Understanding Credit



INSTRUCTOR NOTE: Review the *Understanding Credit* Handout and play the optional video, *Managing Debt and Understanding Credit*.

Another important part of personal finance is to know how to manage debt and credit. Let's now take a look at the *Understanding Credit* Handout.

Credit can be a valuable part of your long-term financial plan. It can be used for large purchases, such as college education, a new vehicle, or a home. It even helps you build a credit reputation (summarized in a credit report).

However, credit can be dangerous if misused. Some individuals make the mistake of viewing credit as a license to spend. Poor spending decisions can leave you deeply in debt and damage your credit reputation for years.

Create healthy habits

Understand how credit works and make wise decisions with these tips.

- Create and follow a spending plan, so that you don't overspend and take on debt.
- Pay bills on time. Do not skip payments particularly on the Star Card as they will garnish your pay.
- Strive to pay off credit cards in full each month. If you have to carry a balance, try to keep it as low as possible.
- Do not apply for credit you do not need, unless you are trying to establish a credit history. Start with a savings-secured loan and credit card.
- Keep credit card and loan information in a safe, secure place to reduce the risk of identity theft.
- Keep your receipts and compare charges when your billing statements arrive. Call your bank, credit card or finance company immediately if there is a discrepancy.

Credit reputation

Your credit report is a record of your payment history with creditors. Lenders, employers, landlords, insurers and other businesses often evaluate this report to determine if you are dependable and to make decisions about your credit worthiness. Your credit report shows the following:

- How much credit you are using
- How well you pay your debts
- Who is inquiring about your credit
- Information on bankruptcies or federal income tax liens

To maintain a solid credit score, it's important to monitor your credit report for any errors. You can obtain a free credit report weekly from each of the three major credit bureaus at <https://www.annualcredit-report.com>. Your assigned Command Financial Specialist (CFS) and the Personal Financial Manager (PFM) at your local Health, Safety and Work-Life (HSWL) Regional Practice can help you access your credit report and credit score for free.

Free credit monitoring for Coast Guard members is available from the nationwide credit reporting agencies. Review the handout and visit each agency's website to learn how to sign up.

INSTRUCTOR NOTE: Be prepared to answer questions about co-signed loans and authorized users on credit cards and how this can affect their credit score.

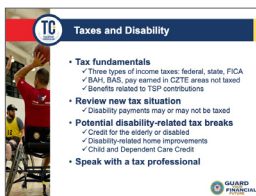
Credit score factors

Credit scores may range from 300 to 850 depending on the credit-scoring model. A FICO score is one credit score model and is considered by lenders to be the industry standard for determining how likely a person is to repay a loan.

Let's look at the chart on the *Understanding Credit* Handout. It indicates the five key components of a FICO credit score.

- 35% = Payment history
- 30% = Amounts owed
- 15% = Length of credit history
- 10% = Types of credit used
- 10% = New credit

Be sure to keep all five credit score components in check to maintain the highest possible score.



SLIDE 7

Taxes and Disability



INSTRUCTOR NOTE: Play the optional video, *Taxes*.

Tax fundamentals

Taxes can be a complicated topic. Let's begin with a quick overview of tax fundamentals. There are three types of income taxes. Federal income taxes fund the federal government and federal programs. FICA taxes fund Social Security and Medicare. State income taxes fund state governments and programs. Basic Allowance for Housing (BAH), Basic Allowance for Subsistence (BAS), and pay earned in certain combat zone tax exclusion areas are not taxed. Contributions to the Thrift Savings Plan (TSP) may also provide certain tax benefits.

Review new tax situation

Your tax situation may change. It is important to know that disability payments may or may not be taxable. Speak with a tax professional to get more information for your unique situation.

Potential disability-related tax breaks

Depending on your situation, you may be eligible for tax breaks. They could include:

- Credit for the elderly or disabled
- Disability-related home improvements
- Child and Dependent Care Credit

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

Speak with a tax professional

As discussed, taxes can be complicated. Professional assistance and resources are available through CG SUPRT Money Coaches.



SLIDE 8

Consumer Protections

While managing your new situation may be stressful, it is also important to know your rights as a military consumer and safeguard your personal information.



SLIDE 9

Military Consumer Protections



INSTRUCTOR NOTE: Review the *Military Consumer Protection and Sources of Help for Military Consumers* Handouts.

Know your rights

Protecting yourself from scammers and scams isn't enough. It's also important to know your rights as a member of the military under the Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA).

Servicemembers Civil Relief Act

Under SCRA, Active Duty Service members and Reserve members (when on active service) are protected under the law. SCRA (for all) begins on the first day of your Active Duty orders which means when the person leaves home for basic or occupational training.

SCRA provides many legal protections, including:

Contracts

- Pre-service loan rate capped at 6%
- Terminate residential or auto leases. Speak with your local legal assistance office to review your situation and see if you qualify. Legal can also review your lease before you move in.
- Cancel applicable consumer contracts.

Stay civil judgments – SCRA offers certain protections from legal proceedings while you are deployed. Generally, you are protected from:

- Eviction and foreclosure
- Default judgment
- Property repossession or seizure

These issues will not go away entirely. You will have to deal with them when you return.

Military Lending Act

Under the Military Lending Act (MLA), Active Duty Service members (including Reserve and covered dependents), cannot be charged an interest rate higher than 36% on most consumer loans, along with other protections. This act does not cover peer-to-peer loans.

Visit <https://www.consumerfinance.gov> for more information about the MLA and SCRA. Your local legal assistance office is another great resource to turn to for help understanding your protections as a military consumer.

Identity theft protections

Identity theft is a serious problem that can damage your credit reputation and take a significant amount of time, effort, and money to resolve. It happens when someone steals your personal information and uses it to open fraudulent accounts and/or make unauthorized purchases. Warning signs include: missing bills, unauthorized accounts on credit reports, unsolicited credit cards or bills, and credit denial. You can defend yourself by taking the following actions:

- Safeguard mail
- Keep your wallet or purse secure
- Save receipts and review with account statements regularly
- Shred documents
- Notify creditors of address updates
- Check your credit reports regularly

Visit <https://www.identitytheft.gov> to report identity theft and create an action plan.



SLIDE 10

Misleading Consumer Practices



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

Recognize scams

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.

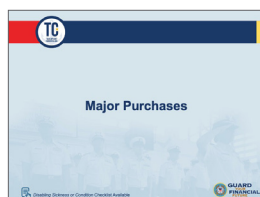
Protect yourself

Before giving your money to anyone else, even a legitimate business, be sure to protect yourself.

Before spending or investing money, do your research and comparison shop. If you're unsure, give yourself extra time to sleep on it. Don't give in to pressure. Be mindful of businesses requiring you to set up allotments on the spot. This is illegal.

Report a complaint

If you feel you've been cheated, report it. The *Sources of Help for Military Consumers* Handout gives you a step-by-step process on how to effectively complain. If you're not sure where to direct your complaint, contact your local legal assistance office.



SLIDE 11

Major Purchases

As you adjust to your new situation, you might have to make changes to your housing or transportation arrangements. We'll also cover funding for education in this section.



SLIDE 12

Housing and Transportation



INSTRUCTOR NOTE: Review the *Major Purchases* and *5 Rules of Buying a House* Handouts and play the optional video, *Housing and Transportation*. Encourage students to ask any questions.

Make smart purchases

Take the time to make smart purchases as you're considering a new home or vehicle. Outline your needs and make an informed decision; avoid making purchases based on emotions. Understand what additional costs your purchases may require and include it in your spending plan. Additional charges like maintenance, utilities, fuel for your vehicle, and insurance must be accounted for. Lastly, shop around.

Housing and transportation

Take a close look at your current housing and transportation situation. Here are a few questions to consider:

- Will you need to make any modifications to your home, such as accommodations for wheelchair accessibility?
- Are additional living arrangements needed for long-term care?
- Will you need to purchase a new vehicle, or modify your current vehicle to accommodate your needs?

If you live in base housing or plan to move to base housing, work with the housing office for any housing needs related to your situation. Some special needs family members will have priority in placement for housing. If you need to change your residence, work with your HSWL Regional Practice for tips on house hunting, renting, home-buying strategies, and relocation resources. If you are renting a new residence, be sure your lease contains a military clause.

If you'd like help with this, the PFMs at your local HSWL Regional Practice can help you build or review your spending plan before taking on any major purchases. Also, consider attending a home buying or car buying class at your HSWL Regional Practice.



SLIDE 13

Education Options

Now, let's shift gears and talk about education planning which, depending on your situation, may be an important consideration right now for you or your family.



INSTRUCTOR NOTE: Review the *Education Benefits and Savings* and *Paying off Student Loans* Handouts. Play the optional video, *Education Benefits*.

Military education benefits

Now let's talk about the education benefits available for those staying in the military by reviewing the *Education Benefits and Savings* Handout.

There are numerous programs available, through military service including:

- Apprenticeship and credentialing programs
- Tuition assistance
- GI Bills, including the Post-9/11 and Montgomery GI Bills. The Post-9/11 GI Bill is transferable to immediate family members if certain conditions are met.

Career and retraining programs

Let's start by talking about opportunities that might be available for those of you who are planning on going back to school to adjust your career path or get additional training.

If you are being separated due to a disability, you may be eligible for certain VA programs like Veteran Readiness and Employment (formerly known as Vocational Rehabilitation) or other programs, depending on your disability rating. You'll need to speak with a VA representative for more information. Your local HSWL Regional Practice can provide you with contact information if needed. There may also be state education programs available for you and your family members. Your local HSWL Regional Practice should be able to point you to the right resources.

Saving for college

Let's review the options for saving for college on the second half of the handout. These are available to both Coast Guard members and the civilian population and include:

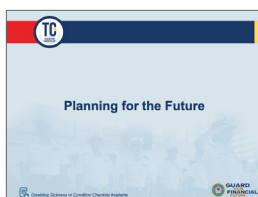
- General investment accounts
- 529 College savings plans
- Prepaid tuition plans
- Coverdell Education Savings Accounts
- Uniform Transfer/Gift to Minors accounts

Student loan repayment

If you or a family member already have student loans, it is important that you continue to make paying off your student loans a priority, as this debt can keep you from achieving other financial goals. Know that there are many options for student loan repayment. Review the handout for more details.

If the disabled person has federal student loans, they may be able to have their loans discharged. In some cases, federal student loans may be discharged if that person is unable to work or can no longer work in the field their degree is in. For more information, visit <https://studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge>.

Ask your PFM at your HSWL Regional Practice for more information on education savings plans and repayment options.



SLIDE 14

Planning for the Future

While it is understandable that other goals might take priority at this point, planning for the future remains vital. In the next section, we'll discuss the importance of planning for retirement including an overview of the military retirement systems, insurance, and estate planning.



SLIDE 15

Retirement Goals



INSTRUCTOR NOTE: Review the *Military Retirement* and *Thrift Savings Plan* Handouts and play the optional video, *Retirement System Overview*.

Military retirement plans

First, let's take a look at the *Military Retirement* Handout and review the benefits of the two main military retirement systems: Legacy and Blended Retirement System (BRS). **The Legacy military retirement plan** is for those who entered military service before 2018 and did not elect to convert to the BRS launched in 2018. For those members who converted from the Legacy military retirement plan and those who entered military service after January 1, 2018, they will follow the **BRS**.

Retirement may seem distant for you, but it'll be here before you know it. Start planning now to obtain financial security during your retirement years. Here are several reasons to save for retirement now.

Retirement can be expensive

The main reason you want to save for retirement now is retirement can be expensive depending on your desired lifestyle. A pension may not be an option. Outside of the military, there are very few civilian employers offering a pension anymore. Your Social Security benefits may not be enough to fund the lifestyle you want in retirement. You also have to consider your health and longevity (how long will you live). Financial experts suggest to plan for up to 100 years of age. You also have to factor in inflation. The average rate of inflation is 3% — 4%. Are you saving in a product that will beat this rate on average?

Investing can be easy

The solution to this potentially expensive retirement problem is investing.

Three factors that can help you accumulate money for retirement are:

- Time: the longer your money is invested the greater the opportunity for growth; time builds wealth
- Amount contributed: Members under both systems can contribute to the TSP; and if you're covered under BRS, you're also eligible for automatic and matching contributions. You can also make contributions to an Individual Retirement Account (IRA) or other investment accounts.
- Potentially a greater rate of return compared to savings

Compound interest is the cycle of earning interest on interest! It's the money your money makes, making more money. Albert Einstein said, "Compound interest is the eighth wonder of the world. He who understands it, earns it; he who doesn't, pays it."


Thrift Savings Plan

To access and manage your TSP account, you'll need to visit <https://www.tsp.gov> and log into My Account. You can also manage your TSP via the new TSP mobile app. Here you can view your portfolio, manage your investments, change your future allocations, and update your beneficiaries if needed. Due to your current condition (or your loved one's), your needs may change. Review your accounts to make sure they're aligned with your needs and wishes.

The Federal Retirement Thrift Investment Board implemented many new TSP features and capabilities in 2022. Changes include more investment choices, a mobile app, virtual assistance, live-agent chat, electronic signature, rollover assistance, electronic payment options, and a secure participant mailbox. Make sure to visit <https://www.tsp.gov> and review the *Thrift Savings Plan* Handout for details on these changes. Make an appointment with a PFM at your HSWL Regional Practice to have a more detailed discussion about investing for retirement.

Update beneficiaries

Due to you or your loved one's current condition, this is a good time to not only review your investment accounts but to update your beneficiaries. Log in to My Account at <https://www.tsp.gov/forms> to designate beneficiaries. For your other investment accounts, such as an IRA or other investment vehicle, please check with your investment organization for the correct forms and processes.



SLIDE 16

Evaluate LIFE Insurance Needs



INSTRUCTOR NOTE: Play the optional video, *Life Insurance*.

A simple method to calculate your life insurance needs is to use the acronym LIFE. Start by totaling all four categories listed below. These can also be found on your checklist.

Then compare your life insurance needs with your current amount of coverage plus any assets and benefits available at death. Remember that a PFM at your HSWL Regional Practice can help you determine the types and amount of life insurance needed to fill any coverage gaps.

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



SLIDE 17

Life Insurance Overview

Life insurance offers protection for your family in the event of your death. It helps prevent financial hardship for your loved ones. Your life insurance needs may change due to a disabling sickness or condition. This is a good time to review your coverage, update beneficiaries, and enroll or update your family members as needed.

Servicemembers' Group Life Insurance (SGLI)

Now is a good time to review the coverage, death benefit and beneficiaries of your Servicemembers' Group Life Insurance (SGLI). A Coast Guard member can elect up to \$500,000 of coverage to be paid upon their death to whomever they assign as their beneficiaries. Verify and update your beneficiaries.

Family Servicemembers' Group Life Insurance (FSGLI)

Family SGLI offers coverage for spouse and dependent of Coast Guard members who are covered by full-time SGLI. Children are covered at \$10,000 each at no cost as soon as they are registered in DEERS. You can elect for spouses to be covered up to \$100,000 for a minimal premium that is based on the spouse's age. Just be aware that spousal coverage under FSGLI cannot exceed the Coast Guard member's coverage amount under SGLI.

The SGLI Online Enrollment System (SOES) allows Coast Guard members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information 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 my SGLI" tab.

Veterans' Group Life Insurance (VGLI)

When separating from the Coast Guard, SGLI coverage can be converted to VGLI (Veterans' Group Life Insurance). Coverage is not available for family members under VGLI, but spousal coverage under

FSGLI can be converted to a private permanent policy such as whole life. Those members with young children may want to consider replacing SGLI with VGLI or another private life insurance policy. Visit <https://www.va.gov/life-insurance> for more information.

Private life insurance

Evaluate your life insurance needs to ensure you have enough coverage, the right type of coverage, and correct beneficiaries. If you determine your need for life insurance coverage exceeds what SGLI or VGLI provides, there are many types of private life insurance policies such as term life or permanent life (whole life, universal life, etc.). Think of term insurance as temporary coverage that lasts for a certain period of years. Permanent insurance is designed to last your entire life. Permanent insurance costs more, but also builds cash value. Term gives you the most coverage for your dollar right now.

Be sure to research and understand the costs, benefits, terms, and conditions of any policy you consider purchasing, making sure it would still provide coverage given your job and that it does not contain a war clause. Make sure that premium payments are affordable and realistic for your budget.



SLIDE 18

Property and Auto Insurance

Review and update policies

Take the time to review and update your current insurance policies. Your coverage needs may change as a result of the disability.

Property and liability

You will need to review and update your homeowners or renters property and liability insurance policies to ensure they are adequate for your current needs and discuss any home modifications you made. If you're renting, understand that your landlord's insurance policy protects the building but doesn't cover your stuff.

Property insurance doesn't only cover possessions, it also protects you from liability claims. Liability coverage may also protect you from liability claims that happen away from your property. You can get extra liability insurance by purchasing what's called an umbrella policy.

Auto

We also recommend that you review and update your vehicle insurance policies as well, particularly if you have made any modifications or changes to the vehicle.



SLIDE 19

Estate Planning



INSTRUCTOR NOTE: Review the *Estate Planning and Survivor Benefits Overview* Handouts and play the optional video, *Estate Planning and Survivor Benefits*. Survivor benefits will be discussed later in the course.

Estate planning means making preparations so your wishes for your survivors are carried out if you die or become incapacitated.

Legal documents

Let's review the *Estate Planning* Handout together. See your local legal assistance office (or other legal counsel) to establish or update estate planning documents. This includes a will, durable power of attorney, trust, living will or advanced medical directive, medical power of attorney, and letter of instruction.

Active Duty Coast Guard members can visit your local legal assistance office for help with these and other legal needs.

It's usually a good idea to seek legal assistance as soon as possible and not wait until right before temporary duty (TDY) travel or deployment, when getting appointments may be difficult.

Special needs considerations

If you have family members with special needs, seek guidance from your local legal assistance office to understand **special needs trusts (SNT)** or **ABLE** accounts for your disabled spouse, child(ren), and/or parent. These vehicles may help protect income options for the disabled person should an inheritance disqualify them for state or government benefits they are enrolled in. Your CG SUPRT Money Coach can assist.

Family Care Plan

If you're caring for a disabled family member, now is also a great time to review or create a Family Care Plan (FCP) should you ever need to leave your disabled family member under the supervision of a designated caregiver for an extended period of time, such as during a deployment or temporary duty.

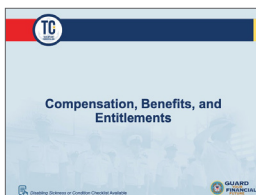
For more information on the types of documents you will need to include, visit <https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Human-Resources-CG-1/Health-Safety-and-Work-Life-CG-11/Office-of-Work-Life-CG-11/Sea-Legs/>.

Review/update property documents

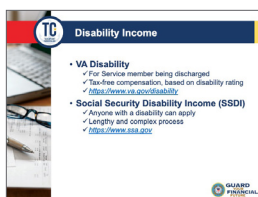
Review and update all home ownership and vehicle documents to clarify right of survivorship and joint tenants in common according to your state laws. This will make it easier for your survivors to inherit them.

Compensation, Benefits, and Entitlements

In the next section, we'll cover compensation, benefits, and entitlements. Every member's situation is unique, so remember to seek additional guidance from your local legal assistance office and the HSWL Regional Practice.



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Disability Income

Let's discuss some of the possible disability income sources that might be available to you and your family.

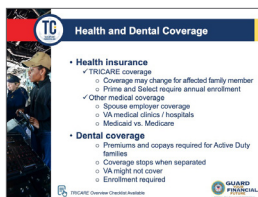
VA Disability

If you happen to be the one with the disabling sickness or condition and will be separating from the Coast Guard as a result, you will need to schedule an appointment with a local veterans' service organization to start the process of filing a Veterans Administration (VA) disability claim. You will need a copy of your full medical record(s) and many other documents to assist in completing all the required paperwork. This process can take some time. There is a wide range of veterans' service organizations available to represent veterans including the Veterans of Foreign Wars, Disabled American Veterans (DAV), American Legion, AMVETS and others. Contact your local HSWL Regional Practice to attend a Transition Workshop and for your local veterans' service organizations contact information.

If you will be receiving VA disability compensation, it will be paid monthly and the amount will depend on your VA disability rating. This type of disability compensation is tax-free. In most cases, your rating will not be available until after you separate from service. For more VA disability information, visit <https://www.va.gov/disability>.

Social Security Disability Income

It is recommended that everyone with a disability apply for disability income through the Social Security Administration (SSA). Spouses, children, parents, and disabled veterans may qualify for Social Security Disability Income (SSDI). This is a very lengthy and complex process, which requires an application with financial and/or work history requirements that must be met for the application to move forward to the disability examiner and a five-step medical evaluation. Visit <https://www.ssa.gov> to locate an office near you. Please note, if a family receives SSDI and they are on Active Duty, the person receiving SSDI will be automatically enrolled in TRICARE for Life and have to pay Medicare Part-A premiums. We'll cover TRICARE in more detail in the next section.



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Health and Dental Coverage



INSTRUCTOR NOTE: Review the *TRICARE Overview Handout* and play the optional video, *Health Insurance*.

Health insurance

Let's start the insurance review with health insurance. It's important to verify and update all family members enrolled in TRICARE (Active Duty), TRICARE Reserve Select (Reserve members), or other health insurance plans as soon as possible. Review the *TRICARE Overview Handout* for more information.

Visit <https://tricare.mil> to find out more about your options.

TRICARE Prime and TRICARE Select require annual enrollment. Coast Guard member(s) may also want to reassess their own TRICARE plan. If you want to enroll in or change your plan, you may do so following a qualifying life event (QLE) or during TRICARE's annual open enrollment period. For more information, visit <https://tricare.mil/Plans/HealthPlans> and <https://tricare.mil/Plans/Enroll>.

If you have civilian insurance coverage, review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

If your spouse also had additional health insurance through a civilian employer but will be leaving their job and losing the coverage as a result, be sure to contact TRICARE and let them know that TRICARE is now your spouse's primary insurance.

If you are being separated due to a disability, be sure to locate your nearest VA medical clinic and hospital. You will need to complete the application for health benefits (VA Form 10-10EZ) before you can be seen at these medical facilities. Visit this website for more information <https://www.va.gov/health-care/apply/application/introduction>. You may also apply for Social Security Disability Insurance compensation if your disability keeps you from working a standard job. Make an appointment with your nearest Social Security Office to discuss your situation.

It is strongly recommended that you also enroll family members in any federal and state health care programs available, such as **Medicare** and **Medicaid**, if eligible. This will help reduce the out-of-pocket medical expenses you might incur. Visit your state's Department of Social and Health Services office/website for more information.

Medicare is funded by Social Security tax contributions (FICA). It is an entitlement program for people aged 65 or older and some people under age 65 with certain disabilities or conditions. Medicaid is a needs-based program with benefits determined by the individual's financial and medical condition. If you have questions regarding eligibility for your aging parents or other family members options, please contact your nearest Medicaid and Medicare office to discuss your family's unique needs and coverage options. Coverage options under TRICARE may change as a result of enrollment in Medicare or Medicaid.

Dental coverage

Don't forget to verify and update family members in the TRICARE Dental Program. Monthly premiums and copays apply. Visit <https://tricare.mil/Dental> to learn more. Reserve members should examine available programs to determine the best dental coverage for their situation.

Be aware that TRICARE dental terminates once a member leaves Active Duty either when they separate or retire. In rare cases, if a member has a service-connected dental condition, the VA provides coverage for just the member. You will need to obtain private dental insurance to continue care for family members. An employer may provide coverage or there may be state programs available.



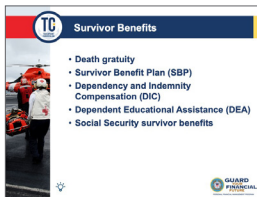
SLIDE 23

Special Needs Program and ECHO

If you have a dependent family member with special needs, you will need to enroll in the Special Needs Program (SNP). This program is only for Active Duty and Reserve members mobilized and deployed for 181 days or longer. Coast Guard Reservists mobilized and deployed for less than 181 days are not eligible for enrollment in the Special Needs Program.

Enrollment in the SNP is mandatory for members with family enrolled in the Defense Enrollment Eligibility Reporting System (DEERS) who reside with the member (unless on an unaccompanied tour), and has a qualifying condition that requires more than routine primary care and education. Your local HSWL Regional Practice has a Family Resource Specialist (FRS) who can also assist you and your family with enrollment, as well as resources and information.

Once you've completed the SNP enrollment, you can then enroll eligible family members in the Extended Care Health Option (ECHO) Program. Again, this program is only available for Active Duty members.



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Survivor Benefits

As a Coast Guard member, it's important to know about the survivor benefits that are available to your dependents for your awareness and peace of mind. If you die while serving, your family will be assigned a Casualty Assistance Officer who will discuss all their survivor benefits and walk them through this process.



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

The **death gratuity** is a lump-sum payment of \$100,000 from the DoD, and it's tax-exempt. They can split it up if they would like, into allocations of at least 10%. It's normally paid within 72 hours of notification.

The **Survivor Benefit Plan (SBP)** gives surviving spouses or children a taxable monthly payment equal to 55% of your retirement pay if the Coast Guard member had been retired at 100% disability at the time of death. That amount varies depending on the pay grade and time in service of the member. If there is no surviving spouse, SBP will be paid in equal shares to the deceased member's children. For Active Duty members, SBP death benefits are provided at no cost. If a member is retired or medically retired, they may elect SBP coverage at retirement. A monthly premium is required and is usually deducted from the retired member's pension.

Dependency and Indemnity Compensation (DIC) is a flat monthly payment for surviving spouses and children that isn't calculated using rank or time in service. Additional money is paid to spouses with dependent children of the deceased Coast Guard member.

The Dependent Educational Assistance (DEA) program offers education and training opportunities to eligible dependents of veterans who are permanently and totally disabled due to a service-related condition or veterans who died while on Active Duty or as a result of a service-related condition.

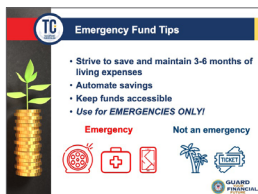
If you pass away, your family will also receive **Social Security survivor benefits**, starting with a lump sum of \$255. Taxable monthly Social Security payments are paid to spouses or divorced spouses with children of the deceased Coast Guard member under the age of 16. Payments are also made to children up to age 18. The survivor's benefit amount cannot exceed 180% of your Social Security benefit.



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Saving and Investing

Now, let's turn to saving. It is challenging to adjust to your new normal as you manage a disabling sickness or condition. Keep your saving and investing goals top of mind as you navigate your new situation.

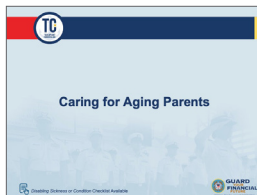


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Emergency Fund Tips

Everyone should have an emergency fund. This is money that's kept in a low-risk account, such as a savings account. It should be an account that you can access easily and without any penalties in case you have an emergency. Consider increasing your emergency savings to cover three to six months of living expenses, if not presently funded at that level. This is especially important if you now only have one source of income for your family. Be sure to account for any additional monthly expenses for caregiving, traveling to/from appointments, equipment, therapies, etc. Simplify the process by automating your savings. Determine the amount you can set aside each paycheck and set up an automatic transfer or allotment until you reach your goal.

An emergency fund can help you cover unexpected costs associated with a disability and help to keep you from getting into debt. If you had to use a portion or your entire emergency fund, establish a plan to replenish the account as soon as possible. Remember, **use your emergency fund for emergencies only**.



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Caring for Aging Parents



INSTRUCTOR NOTE: Play the optional video, *Caring for Aging Loved Ones*.

Taking care of an aging parent brings different challenges. There are many decisions you need to make from housing to medical insurance.



SLIDE 28

Considerations for Parent Care

Housing and care options

You will need to discuss what your aging parent's housing and care options are. What do they want, prefer, or need? Here are the standard options: in-home care, assisted living, nursing home, or residing with a family member. They each have their benefits and differ in costs.

Making them a dependent

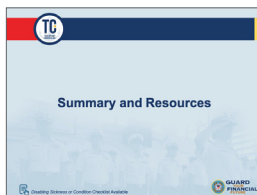
If your disabled parent is coming to live with you, consider making them a dependent. Contact your local HSWL Regional Practice and your local legal assistance office for further guidance. Additionally, Eldercare Services via the Office of Work-Life Programs, has more information available at this website: <https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Human-Resources-CG-1/Health-Safety-and-Work-Life-CG-11/Office-of-Work-Life-CG-111/Eldercare-Services/>. Please note, this process can take up to two years to complete.

Medical insurance

Parents, who are dependents, can enroll in TRICARE Plus for a monthly fee. This might be beneficial if they do not have access to other insurance options or it can become a secondary insurance option.

Depending on their age, they may also want (or need) to enroll in Medicare and consider receiving their Social Security benefits. Medicare is a very complex health care system with four parts that need to be decided on (A, B, C, and D). Many local senior centers have experts who can assist in understanding each part. Refer to our previous discussion on Medicare and TRICARE for more information.

If they are not old enough for Medicare be sure to enroll them in any state medical programs they might be eligible for, such as Medicaid. If they haven't applied for Social Security Disability Income (SSDI), it may be beneficial for them to apply particularly if they are not old enough to collect their regular Social Security benefit.



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Summary and Resources

As we come to the end of the course, let's review what we covered and talk about resources that can help.

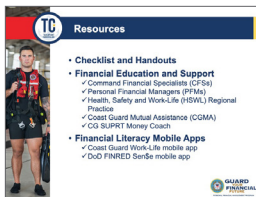


SLIDE 30

Summary

I hope that the topics covered during this course will help you more successfully manage your personal finances as you manage a disabling sickness or condition. During this course, we reviewed:

- Basic Finance
- Consumer Protections
- Major Purchases
- Planning for the Future
- Compensation, Benefits, and Entitlements
- Saving and Investing
- Caring for Aging Parents



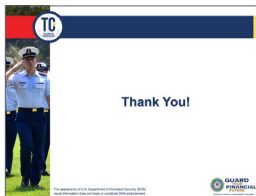
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Resources

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

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

You can talk to your Command Financial Specialist (CFS) at your unit or meet with a Personal Financial Manager (PFM) and attend a class at your local Health, Safety and Work-Life (HSWL) Regional Practice. CG SUPRT money coaches are additional resources for guidance. You may also access the Coast Guard Work-Life mobile app or the DoD FINRED Sen\$e mobile app for assistance with a variety of personal finance issues.



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Thank You!

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