



FIRST DUTY STATION

COAST GUARD FINANCIAL READINESS

Welcome to your first duty station! Whether you complete a 20-year career or separate after a few years, it's important to take advantage of the financial benefits and education offered to you as a member of the Coast Guard.

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

HANDOUTS

- Military Banking
- Goal-Setting Worksheet
- Spending Plan Worksheet
- Understanding Credit
- Military Consumer Protection
- Sources of Help for Military Consumers
- Major Purchases
- 5 Rules of Buying a House
- Education Benefits and Savings
- Paying off Student Loans
- TRICARE Overview
- Thrift Savings Plan
- Basic Investing

★ Basic Finance

- ☐ Review the *Military Banking* Handout for information on credit unions and banks, typical fees, online banking, and how to manage your bank accounts.
- ☐ Understand the basics of debit/credit card use and tracking deposits/expenditures.
- ☐ Know how to recognize and correct banking errors. Review your transactions periodically and immediately contact your bank if you find errors that need to be corrected.
- ☐ Update your personal spending plan using the *Spending Plan Worksheet* Handout. A good spending plan helps you manage your money, plan for your financial goals, and prepare for emergencies. Here are four steps financial experts suggest to get started.

Counselor: *Inform members that you can provide a **Spending Plan Worksheet** Handout as well as more detailed templates with features that can help them understand their financial situation and reduce excessive debt.*

Step 1 — Understand your current situation

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



Step 2 — Know where your money should go

Financial experts offer these general guidelines when budgeting your money:

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

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

- Prioritize your financial goals.
- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.

Counselor: *Inform members that under the Blended Retirement System, they are always vested in their own contributions and the earnings. Upon separation or retirement from service, the TSP account is portable. They can either leave it with the TSP or move it to another qualifying government (civilian TSP) or private-sector retirement account, like a 401(k). Also, civilian service does not count toward vesting in the uniformed service TSP account.*

Step 3 — Create a plan

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

- Prioritize your financial goals.
- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.

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

Step 4 — Make adjustments

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

- ☐ Consider setting up automatic bill pay to avoid missed or late payments.

Counselor: *Tell members that they may be dealing with many new creditors, which increases their exposure to billing errors and identity theft. Remind members that they can get a free copy of credit reports from the CFS or PFM at the Health, Safety and Work-Life (HSWL) Regional Practice. The PFM can also help them interpret their reports and discuss what they need to do to improve their scores.*

- ☐ Review your tax situation and change federal and state withholding as needed in Direct Access via <https://hcm.direct-access.uscg.mil>. Do not mark yourself exempt from tax withholding if you do not actually qualify.

Counselor: *Remind members they may wish to consult with CG SUPRT Money Coach or a tax professional for additional help.*

- ☐ Review the Military Spouse Residency Relief ACT (MSRRA), which protects tax, voting and property rights of military spouses. A military spouse may keep their tax domicile (legal residence) if they move because their military spouse is transferred out of state.

Additional notes: _____

★ Consumer Protection

- ☐ Review the *Military Consumer Protection* Handout for additional information on identity theft, the Servicemembers Civil Relief Act (SCRA), and Military Lending Act (MLA).

Counselor: *Remind members your local legal assistance office can assist by reviewing contracts to help prevent members from falling victim to predatory lenders and fraudsters.*

- ☐ Protect yourself from misleading consumer practices and know basic procedures for handling a consumer complaint or dispute. Review the *Sources of Help for Military Consumers* Handout.
- ☐ Check each of your three major credit reports for free at <https://www.annualcreditreport.com>. Members can request free credit monitoring services from the nationwide credit reporting agencies: Equifax, Experian, and TransUnion. Review the *Understanding Credit* Handout for more information. Lastly, CG SUPRT offers free credit monitoring to CG members and dependents.

Additional notes: _____

★ Major Purchases

- ☐ Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases. Review the *Major Purchases* and *5 Rules of Buying a House* Handouts for more information.

Counselor: *Remind members to speak with their unit Command Financial Specialist to build and review their spending plan before taking on any major purchases.*

- ☐ Understand that Personal Financial Managers are available at HSWL Regional Practice to assist with questions about a major purchase.
- ☐ Review the *Education Benefits and Savings* and *Paying off Student Loans* Handouts to learn more about financing education, available benefits, obligations, and repayment options.
- ☐ Research and take advantage of tuition assistance and the College Level Examination Program (CLEP) to help cover or offset the costs of higher education.

Additional notes: _____

★ Planning for the Future

- ☐ Evaluate your life insurance needs to ensure you have enough coverage, the right type of coverage, and correct beneficiaries. A simple method to calculate your life insurance needs is to use the acronym LIFE. Start by totaling all four categories listed below.

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

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

- Term insurance — provides a stated amount of coverage over specific period of time and is designed to provide a large amount of coverage for the least cost
- Permanent insurance — provides coverage designed to last for your entire life and can build cash value

- ☐ There are several permanent life insurance options offered such as universal life, whole life, variable life and even variable universal life insurance. These policies may have a surrender period and be subject to fees and penalties if canceled during this time.

Counselor: *Remind members to ask questions and fully understand any commercial life insurance policy they consider purchasing. They should understand the cost, coverage, terms and conditions, as well as how the agent is compensated before making a decision to buy.*

- ☐ Enroll your dependents in Family Servicemembers' Group Life Insurance (FSGLI).

Counselor: *Inform members that FSGLI provides up to \$100,000 in coverage in \$10,000 increments to cover eligible spouses for as little as \$0.45/month. Dependent children are automatically covered at \$10,000 as soon as they are registered in DEERS. Refer members to <https://www.benefits.va.gov/insurance/fsgli.asp> for more information.*

- ☐ Update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI), if appropriate.

Counselor: *Inform members that the SGLI Online Enrollment System (SOES) allows Service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office. To access SOES, they must sign into <https://milconnect.dmdc.osd.mil/milconnect> and select the "Manage my SGLI" tab.*

- ☐ Review or consider obtaining renters (homeowners) insurance policies and ensure that they are adequate for your circumstances.
- ☐ Update your auto insurance policies, and ensure coverage is appropriate for your current needs.

Additional notes: _____

★ Compensation, Benefits, and Entitlements

- ☐ Understand basic pay is normally determined by rank (grade) and years of service. The other pays, often referred to as special and incentive pays, are for specific qualifications or events. To learn more about basic, special and incentives pays visit <https://www.dcms.uscg.mil/ppc/mas/rates>.
- ☐ Understand allowances are moneys provided for specific needs, such as food or housing. Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) are two of the most common allowances, but there are several others including Clothing, Dislocation, Family Separation Allowance (FSA), and Basic Needs Allowance (BNA). To learn more about allowances, including current rates, visit <https://www.dcms.uscg.mil/ppc/mas/rates>.

- Enroll new family member(s) in TRICARE (Active Duty), TRICARE Reserve Select (Reserve members) or other health insurance plan. Review the *TRICARE Overview Handout* for more information.

Counselor: Note that TRICARE Prime and TRICARE Select require annual enrollment. Members may also want to reassess their own TRICARE plan. Refer Active Duty Coast Guard members to <https://www.tricare.mil/Plans/HealthPlans>. Refer Reserve Component members to <https://www.tricare.mil/plans/healthplans/trs>.

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

Remind Coast Guard members with civilian insurance plans to review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

- Remind Coast Guard members that if they need help with TRICARE related issues, they can reach out to the Health Benefits Advisor by calling 1-800-9HBAHBA (1-800-942-2422) or emailing CBHBA@uscg.mil.
- If your spouse is employed and also has health insurance (OHI or “other health insurance”), arrange coordination of benefits with TRICARE or other insurance carrier.

Counselor: Normally, TRICARE becomes secondary insurance for a spouse with OHI. Some civilian insurers will not allow coverage under more than one policy.

- Enroll new family member(s) in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit <https://www.tricare.mil/coveredservices/dental/tdp> for more information.

Counselor: Refer members to 1-844-653-4061 or to <https://www.tricare.mil/CoveredServices/Dental/TDP> to learn more. Reserve members should examine available programs to determine the best insurance available for their situation.

- Invest in you and your Coast Guard members’ career development by exploring how future financial benefits afforded by the Coast Guard’s career investment programs can develop you and your Coast Guard member professionally.
 - **Tip 1:** Investigate whether your members’ military career offers a registered apprenticeship for their Coast Guard rating or skills. The United Services Military Apprenticeship Program (USMAP) website provides Active Duty members of the Coast Guard with a streamlined ability to identify and register for apprenticeships, track progress, and report completion of their apprenticeship. To learn more visit: https://www.cool.osd.mil/uscg/credential_basics/index.html?apprenticeship.

- **Tip 2:** Determine if your members' Coast Guard experience translates into a civilian credential. Military experience has the potential to translate into certifications and licensing. A Coast Guard member is encouraged to visit the Coast Guard Credentialing Opportunities Online (COOL) website <https://www.cool.osd.mil/uscg/index.html> to learn more.
- **Tip 3:** Explore eligibility for tuition assistance. Did you know that members qualify for tuition assistance to pursue their education goals and potentially increase their earning potential? To learn more visit <https://www.forcecom.uscg.mil/Our-Organization/FORCECOM-UNITS/ETQC/VOLUNTARY-EDUCATION/Tuition-Assistance/>.

Counselor: Discuss the programs, possible career paths, and how building skills and gaining education can increase a Coast Guard member's earning power. Refer members to the Education Service Officer (ESO), as needed.

Additional notes: _____

★ Saving and Investing

- ☐ Review the *Thrift Savings Plan* and *Basic Investing* Handouts to learn more about investing for retirement, compound earnings and fundamentals of investing.
- ☐ Log on to your TSP account at <https://www.tsp.gov> to manage:
 - Current and future investment choices
 - Beneficiaries
 - Contact information

Counselor: Explain to members the TSP website requires a User ID and password to access their account. A new account can be established at <https://www.tsp.gov/login>. To reset log in credentials visit <https://www.tsp.gov/access-your-account> for more information. Remind members to verify their mailing address is correct in Direct Access (<https://hcm.direct-access.uscg.mil>) first and pay attention to the effective date.

- ☐ Save automatically by setting up an allotment directly from your pay to a savings account. Save for emergencies and for your personal goals. Review the *Goal-Setting Worksheet* Handout to determine your personal goals.

Additional notes: _____
