

**Preparation:** Distribute and discuss the *Leadership* Checklist and accompanying handouts to support this video-based training course. Checklists and handouts can be found online at [Coast Guard Personal Financial Management Program - FINRED Learning Resource Library - APAN Community](#).

## ★ PART ONE: Introduction

### Play Video 1

**Introduction:** Welcome to this training course. Today's conversation will focus on your role in maintaining financial readiness with those you lead. Financial readiness has a direct impact on mission readiness, so it's important to recognize warning signs of financial stress and be able to assist your Coast Guard member.



1. Financial  
Readiness for  
Coast Guard  
Leaders

**Preface:** When finances are not a stress in your life, your ability to focus on the tasks at hand is improved. As a Coast Guard leader, you can have a direct impact on improving the financial lives of those you lead. It is important to maintain relevant knowledge, know warning signs of financial distress and keep up to date referral sources to assist you such as the Personal Financial Manager (PFM) at your local Health, Safety and Work-Life (HSWL) Regional Practice.

## ★ PART TWO: Warning Signs and Protections

### Play Videos 2 and 3



2. Financial  
Warning Signs  
& the Need for  
PFM

### DISCUSSION QUESTIONS

1. Why do military members tend to have more financial issues than their civilian counterparts?

**Talking Points:** Some possible reasons may include age, little or no financial education foundation, frequent moves, deployments, spouse unemployment, the cost of living, and easy access to credit.



3. Military  
Consumer  
Protections

2. How can you utilize your Command Financial Specialists (CFS) to help alleviate and possibly avoid poor financial decisions?

**Talking Points:** Make sure you have quality CFSs who are properly trained, seek continuing education, and maintain current, relevant information. Have CFSs hold trainings on regular basis (INDOC, unit trainings, safety stand-downs), support CFS office hours, promote CFS to members, and advertise the program.

### 3. What ways can you work with the PFM program to improve the overall financial wellbeing of those you lead?

**Talking Points:** Invite PFMs to trainings, schedule briefs, communicate on concerns/issues, attend Leadership Financial Seminars offered at your local HSWL Regional Practice, maintain current referral resources, offer services to Coast Guard members, and support members seeking services.

### 4. How can consumer awareness help protect Coast Guard members?

**Talking Points:** If Coast Guard members know they can be targets of predatory consumer practices, they may be able to stop problems before they occur.

#### KNOWLEDGE CHECK

**Question:** What are two laws that protect military consumers?

**Answer:** Military Lending Act (MLA) and Servicemembers Civil Relief Act (SCRA)

## ★ PART THREE: Financial Topics

Play Videos 4, 5, 6, and 7



4. Common Money Mistakes

#### DISCUSSION QUESTION

##### 1. Were you surprised at any of the top five money mistakes?

**Talking Points:** Facilitate and encourage discussion. It is common knowledge that many military members have financial concerns. Remind Leadership to have continuous conversations around positive financial behaviors.



5. Retirement System Overview

##### 2. Ask Leadership what questions they have regarding the military retirement systems: Legacy and Blended Retirement System.

**Talking Points:** Review components of the two retirement systems:

- Legacy pension calculation =  $2.5\% \times \text{YOS} \times \text{retired base pay}$
- BRS pension calculation =  $2.0\% \times \text{YOS} \times \text{retired base pay}$
- TSP under Legacy: No automatic government contributions, no match
- TSP under BRS: Automatic government contribution at 1%, match up to 4%, for a maximum total Coast Guard contribution of 5% of base pay
- BRS Continuation Pay: Lump sum payment made between eight and 12 YOS in exchange for no less than three years of additional service. Each Service annually sets the timing of the payout and the additional years of service required to receive it.
- BRS lump sum at retirement: Option to receive lump-sum payment which reduces pension by 25% or 50%



6. Understanding the TSP



7. Managing Your TSP

### 3. What options do military members have regarding tax treatment of TSP contributions?

**Talking Points:** Ensure Leadership understands both tax advantages.

- Roth: Contributions are made with after-tax income, so there is no tax break when they are made. However, withdrawals in retirement can be tax free if certain conditions are met.
- Traditional: Contributions are made with pretax income, so taxable income is reduced when they are made. However, withdrawals will be taxable.

#### KNOWLEDGE CHECK

**Question:** Where can consumers go to view copies of their credit reports at no cost?

**Answer:** <https://www.annualcreditreport.com>

**Question:** What investment options are available in the TSP?

**Answer:**

- G Fund: Government securities
- F Fund: Government, corporate, mortgage-backed bonds
- C Fund: Stock fund, replication of the S&P 500
- S Fund: Stock fund investing in mid- and small-sized domestic companies
- I Fund: Stock fund investing in international companies
- L Funds: Professionally designed mix of all five core funds based on a target-date, which is the estimated year of retirement and the beginning of withdrawals from the account

## ★ PART FOUR: Education and Career Planning Topic

### Play Video 8



8. Education  
and Career  
Investment  
Programs

#### KNOWLEDGE CHECK

**Question:** Which program allows members to earn an associate, bachelor's, or even graduate degree while serving?

**Answer:** The Coast Guard Tuition Assistance (TA) program

## ★ PART FIVE: Conclusion

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### Play Video 9



9. Facilitator  
Conclusion

**Conclusion:** In today's training, we discussed common challenges regarding financial decisions of Coast Guard members and how to learn to recognize and avoid them. Next, we discussed the military retirement systems, the TSP, and Education and Career Investment Programs. What questions can I answer about the topics reviewed today?

Remember your CFSs and PFMs are ready and willing to assist your Coast Guard members in making financial plans and decisions by providing information, education and referral resources. Encourage your Coast Guard member to take advantage of the resources afforded to them and let us know how we can assist you in ensuring your members are financially equipped and confident in the decisions they make.