



Welcoming Your First Child

Instructor Guide



**GUARD
YOUR
FINANCIAL
FUTURE**

PERSONAL FINANCIAL MANAGEMENT PROGRAM

I. COURSE ORGANIZATION & AGENDA

The *Welcoming Your First Child* course is organized into nine parts:

1. **Administrative Tasks** (5-10 minutes)
2. **Introduction and Agenda** (2 minutes)
3. **Basic Finance** (15 minutes)
4. **Consumer Protections** (5 minutes)
5. **Major Purchases** (5 minutes)
6. **Planning for the Future** (10 minutes)
7. **Compensation, Benefits, and Entitlements** (5-10 minutes)
8. **Saving and Investing** (5 minutes)
9. **Summary and Resources** (3 minutes)

TOTAL: 55 – 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
- *Welcoming Your First Child* course PowerPoint slides

Optional:

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

Forms and Handouts:

- *Welcoming Your First Child* Member Checklist
- Course sign-in sheet
- Course evaluations

Optional:

- *Spending Plan Worksheet* Handout
- *Goal-Setting Worksheet* Handout
- *Understanding Credit* Handout
- *Military Consumer Protection* 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/FirstChild>

IV. CONTENT



SLIDE 1

Introduction

Facilitator Introduction

Introduce yourself.

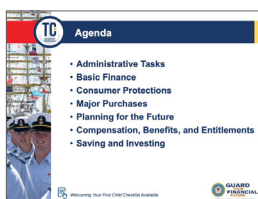
Hello, my name is _____.

I am a _____.

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

Congratulations to all the new parents here today. For most Coast Guard members, a new child means changes, especially to your finances. So, this course is designed to help you organize your finances efficiently and prepare you for the changes that come with the birth or adoption of a new child.

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

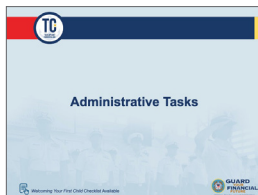


INSTRUCTOR NOTE: Distribute the *Welcoming Your First Child* Member Checklist.

Congratulations on welcoming your first child into your family! A child can change everything, including your household finances. Today's course can help organize your finances efficiently as you work through the changes that come with a new birth or adoption and improve your overall financial readiness.

We will cover seven topics: **Administrative Tasks**; **Basic Finance**; **Consumer Protections**; **Major Purchases**; **Planning for the Future**; **Compensation, Benefits, and Entitlements**; and **Saving and Investing**.

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



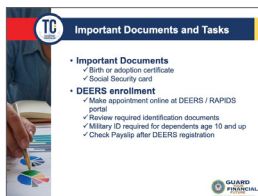
SLIDE 3

Administrative Tasks



INSTRUCTOR NOTE: Play the optional video, *Paperwork and Administrative Tasks*.

Let's start this training by reviewing important paperwork and administrative tasks you'll need to take care of as you welcome your new child. Use the course checklist to help you remember the important tasks to be completed and available resources.



SLIDE 4

Important Documents and Tasks

Let's discuss important steps you'll need to take as you welcome home your child, including documents to obtain. Once you have these documents in your possession, keep them in a secure and safe location.

Birth or adoption certificate

Obtain an official copy of your child's (or children's) birth or adoption certificate(s).

An official copy is often embossed or certified in some way and court documents may be notarized. To replace a lost or misplaced birth certificate, you should check with the bureau of vital statistics in the state where the child was born or see <https://www.usa.gov/replace-vital-documents> for information on how to obtain a replacement.

Social Security card

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

DEERS enrollment

Add your new child to your DEERS account. Bring the birth certificate(s) and/or court documents to the nearest Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) office. You can find the nearest DEERS/RAPIDS office at <https://idco.dmdc.osd.mil/idco> and make an appointment online.

This must be done in person. A list of acceptable identification documents can be found at https://www.cac.mil/portals/53/documents/list_of_acceptable_documents.pdf.

In addition to being enrolled in DEERS, new dependents over the age of 10 are required to have a current military ID. To acquire a new ID card for a child 10 years old or older, you should bring the child to the installation ID office with your ID. Your child should already be listed in DEERS.

Check your Payslip after you've added the new dependent in DEERS. Verify the requested changes have been made and that you are receiving the correct pay and allowances. Be especially careful about overpayments, as these will be recouped.



SLIDE 5

Assistance Programs

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

Military Parental Leave Program

It is important to become familiar with the Coast Guard's parental leave policy when you're expecting a new child. The Military Parental Leave

Program was expanded in December 2022 to provide 12 weeks of parental leave for Coast Guard members following the birth, adoption, or long-term foster care placement of a child. Coast Guard members who give birth will be authorized a period of convalescence, followed by 12 weeks of parental leave.

Financial workshops

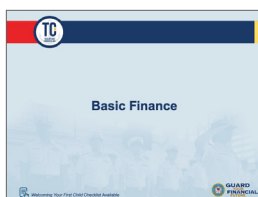
Your local HSWL Regional Practice offers financial workshops on a variety of topics, including preparing your finances to welcome a new child. You can also meet with your Command Financial Specialist (CFS) or a Personal Financial Manager (PFM) for additional one-on-one support.

Military relief societies are another great resource. The Navy Marine Corps Relief Society (NMCRS) conducts the Budget for Baby® course and the Air Force Aid Society (AFAS) conducts the Bundles for Babies course to help expecting parents learn to budget. They also offer a selection of gently used baby items through their thrift shops that can help you save money.

Assistance programs

Visit https://www.dcms.uscg.mil/Portals/10/CG-1/cg111/docs/pdf/CG1_Pregnancy_and_New_Parent_Resource_Guide_v15.pdf?ver=2019-06-26-122711-810 to learn about Coast Guard New Parent resources. The New Parent Support Home Visitation Program (NPSHVP) is available to provide support and resources to expectant Active Duty members, their spouses, and those families with children under the age of 4. Contact your HSWL Regional Practice and get connected with a New Parent Support Program Specialist to learn more.

The Women, Infants, and Children program (WIC) provides vouchers for food (formula, milk, eggs, cheese, etc.) to use at the grocery store of your choice. Your HSWL Regional Practice should have information on how and where to determine your eligibility.



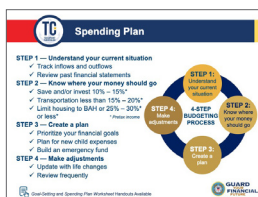
SLIDE 6

Basic Finance



INSTRUCTOR NOTE: Play the optional video, *Financial Tips for Your First Child*.

Our first topic today covers basic finance. What changes in finances do you expect when the new addition to your family arrives? What have you financially prepared so far? Do you have short- and long-term financial goals set for your child? Let's review actions you and your family can take to prepare for the financial aspects of raising a child.



SLIDE 7

Spending Plan



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

Now, let's turn our attention to several important financial planning topics. We will start with creating a spending plan to help childproof your finances. There are four basic steps to building a spending plan:

Step 1 — Understand your current situation

In this step, it's important to understand what's REALLY going on with your money today. Start tracking your spending and income for the next 30 days using statements.

It's a good idea to get a handle on income changes, especially if your household income will change due to your new child.

Step 2 — Know where your money should go

Financial experts recommend these general guidelines when budgeting your money:

- Save and/or invest 10% – 15% of pretax income.
- Strive to keep transportation expenses including car payments, insurance, gas and maintenance to 15% – 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, maintenance, etc. to BAH or 25% – 30% or less of pretax pay.

Step 3 — Create a plan

Prioritize your financial goals utilizing the *Goal-Setting Worksheet* Handout, then build your plan for setting aside money and putting limits on how much you'll spend each month on expenses. Include new monthly expenses like formula, diapers, clothes, and any additional medical expenses in your spending plan.

Also, you should consider increasing your emergency savings to cover three to six months of living expenses. This is especially important if you are the sole source of income for yourself and your dependents. We'll cover the importance of an emergency fund in detail later in the course.

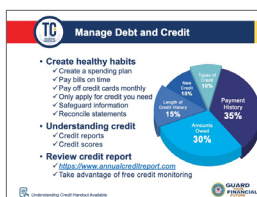
Step 4 — Make adjustments

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

Use the *Spending Plan Worksheet* Handout to revise your current spending plan and account for changes in income and expenses.



INSTRUCTOR NOTE: If time permits, instruct Coast Guard members to develop a S.M.A.R.T. financial goal utilizing the *Goal-Setting Worksheet* Handout and complete the *Spending Plan Worksheet* Handout in class. Additional support including one-on-one counseling is available through the Health, Safety and Work-Life (HSWL) Regional Practice. Command Financial Specialists (CFS) and Personal Financial Managers (PFM) have additional templates and resources available to help Coast Guard members understand their financial situation and reduce debt.



SLIDE 8

Manage Debt and Credit



INSTRUCTOR NOTE: Review the *Understanding Credit* Handout.

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.

Avoid using credit to cover expenses related to your new child. While you may want to buy the top-of-the-line clothing, crib, or stroller for your little one, review your spending plan first. Access to credit, via credit cards, can cause you to let your guard down when purchasing items.

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. Before making purchases, ask yourself, does my child "need" this item? If so, compare between the good, better, and best option. In many instances, selecting the good option may be the best choice for your budget.
- 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 and pay off as soon 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.

Understanding credit

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

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.

Your credit score is a three-digit number evaluating how you use credit. The 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. It can range from 300 to 850. The higher your score, the better your credit reputation.

Let's look at the chart on the *Understanding Credit* Handout and the slide. The five key components of your FICO credit score are:

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

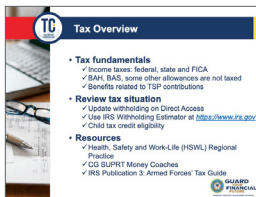
Be sure to keep all five credit score components in check to maintain the highest possible score. The Personal Financial Manager (PFM) at your local HSWL Regional Practice can help you interpret your reports and discuss what you need to do to improve your score.

Review credit report

To maintain a solid credit score, it's important to monitor your credit report for any errors. It's a good idea to check credit reports for yourself, your spouse, and your children. You can obtain a free credit report weekly from each of the three major credit bureaus at <https://www.annualcreditreport.com>. The PFM at your local HSWL Regional Practice can also help you access your reports.

Take advantage of free credit monitoring. Coast Guard members can request free credit monitoring services from each of the three major credit bureaus. Review the handout for more on how to sign up or visit each bureau's website for more details:

- <https://www.transunion.com/active-duty-military-credit-center>
- <https://www.equifax.com/personal/military-credit-monitoring>
- <https://www.experian.com/lp/military.html>



SLIDE 9

Tax Overview

With a new addition to your family, your family's tax situation may change. We will go over a few items of interest and cover potential changes.

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.

Next, let's talk about some of your tax benefits. Basic Allowance for Housing (BAH), Basic Allowance for Subsistence (BAS), and some other allowances are not taxed. Contributions to the Thrift Savings Plan (TSP) may provide certain tax benefits as well.

Review tax situation

Review your new tax situation and change federal and state withholdings as needed. Visit <https://hcm.direct-access.uscg.mil> to make adjustments. The IRS Withholding Estimator at <https://www.irs.gov/individuals/tax-withholding-estimator> is a great tool that can help you determine your tax withholding needs. Also, be mindful of child tax credits that you could benefit from when you prepare and file your taxes.

Resources

Taxes can be a complicated subject, but you don't have to figure it out alone. Consult with a PFM at your HSWL Regional Practice. Visit CG SUPRT Money Coaches for free tax software, filing support, and professional assistance. Review IRS Publication 3: Armed Forces' Tax Guide at <https://www.irs.gov/pub/irs-pdf/p3.pdf> for more information.



SLIDE 10

Consumer Protections

In the next section of the course, we'll cover important topics related to consumer protections for Coast Guard members.



SLIDE 11

Military Consumer Protections



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

Know your rights

It is important to know your rights as a military consumer. The Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA) are two laws designed specifically to protect Service members.

Protections under the SCRA include a 6% cap on debts incurred **before** joining Active Duty, the ability to terminate cellphone, cable and internet contracts, and termination of residential and auto leases.

Additional protections include postponement of foreclosures and evictions, court proceedings, taxes, and liabilities. The MLA prohibits charging you an interest rate higher than 36% on most consumer loans. Review the Military Consumer Protection Handout to learn more about additional protections and eligibility requirements.

Visit your local legal assistance office and the PFM at your local HSWL Regional Practice for additional information and support.

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. Sadly, children are a favorite target of identity thieves, who sometimes commit fraud under a child's assumed identity for many years without being detected. To protect your children, you can request a free credit freeze from all three credit reporting agencies. Warning signs of identity theft can 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 12

Misleading Consumer Practices

As you welcome your new child, it is important to continue to protect your family from scams and fraud. We'll cover how you can recognize scams, protect yourself, and report misleading consumer practices.

Recognize scams

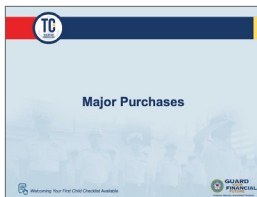
Watch out for people trying to scam you out of your hard-earned money. From aggressive salespeople to criminals, there are many people who would love to take your money. Avoid offers to join multilevel marketing organizations, and steer away from somebody offering you a way to get rich quick. Remember, if it sounds too good to be true, it probably is.

Protect yourself

Be sure to protect yourself before giving your money to anyone, 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 a complaint

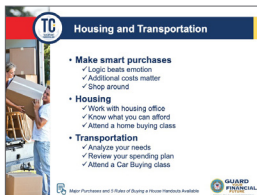
If you find yourself dealing with a defective product, poor customer service, or the victim of a scam, it can be a frustrating and time-consuming process. Learn more on how to effectively report a complaint. Follow the steps outlined in the *Sources of Help for Military Consumers* Handout.



SLIDE 13

Major Purchases

As you're preparing to welcome your first child, you may be considering a major purchase, like a new car, larger home, or financing a college education. In most cases your little bundle of joy did not come with a bundle of cash, so it's important to be smart about any upcoming major purchases.



SLIDE 14

Housing and Transportation



INSTRUCTOR NOTE: Review the *Major Purchases* and *5 Rules of Buying a House* Handouts.

As you prepare to welcome your new child, you may also be considering a major purchase like a new vehicle. Let's review the *Major Purchases* and *5 Rules of Buying a House* Handouts as we cover this section.

Make smart purchases

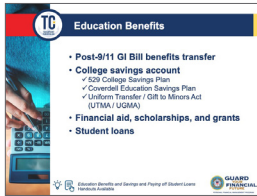
Be logical about what you buy and don't let emotions cloud your judgment. Remember that more expensive doesn't mean "more love." You may need a different vehicle to accommodate your growing family, but you likely do not need the most expensive one on the lot. Factor in additional costs. For example, vehicle costs include more than the monthly payment. Include insurance, gas, and maintenance in your calculations as you review options that fit within your spending plan. Finally, shop around to find the best option that meets your needs.

Housing

If you need to change your residence, work with the housing office. Your HSWL Regional Practice can help with tips on house hunting, renting, home-buying strategies, and relocation resources. Also, consider attending home buying class at your HSWL Regional Practice. If you are renting, review your lease or rental agreement to determine if you need to notify management of a new occupant. If you will be moving to a new residence, check the lease fine print for a military clause. A good rule is to keep your housing costs to BAH or 25% – 30% of pretax income.

Transportation

You may find that you need to replace your current vehicle. Work with your HSWL Regional Practice for tips on car buying and child safety restraints. Carefully analyze your needs and follow the suggestions we just discussed on making smart purchases. Remember, review your spending plan and know what you can afford. Strive to keep your transportation expenses to less than 15% – 20% of your pretax income.



SLIDE 15

Education Benefits



INSTRUCTOR NOTE: Review the *Education Benefits and Savings* and *Paying off Student Loans* Handouts and play the optional video, *Cost of College*.

Now is the time to start planning and saving for your child's education. However, it is more important to fund your retirement plan before funding your child's education. You can always get a loan for your child's education but you cannot get a loan for your retirement.

Parents may choose from a variety of college savings accounts, scholarships and grants, financial aid, student loans, and self-funded strategies to fund their child's education. What matters most is you put a plan in place to begin saving long before your child is ready for college because it's expensive!



ACTIVITY: As a class, review *Education Benefits and Savings* Handout. Review and discuss the combination of ways parents can help fund their children's college education.

Post-9/11 GI Bill benefits transfer

If you plan to transfer your Post-9/11 GI Bill benefits to qualified dependents, like your children or spouse, you must submit a Transfer of Entitlement (TOE) through milConnect. Certain requirements apply; visit <https://va.gov/education/transfer-post-9-11-gi-bill-benefits> for more information.

College savings account options

Next, we'll cover a few accounts that can help you save for a child's education. We'll cover the three most common. Advantages and disadvantages vary for each of these programs so make sure to review the *Education Benefits and Savings* Handout for more details.

- 529 College Saving Plans: tax advantaged account allowing for tax-free withdrawals to pay for qualified education expenses including K-12 public, private, and religious school tuition and qualified college expenses
- Coverdell Education Savings Accounts: tax-advantaged account for education savings, must be opened by a parent or legal guardian and income limits apply
- Uniform Transfer to Minors Act (UTMA) and Uniform Gift to Minors Act (UGMA) Custodial Accounts; owned by the child and managed by the parents, does not have to be used for education expenses

Financial aid, scholarships, and grants

Many institutions offer financial aid, scholarships, and grants for students. Some may even have special programs for military families. Research the options that are available to you and your family. The school's financial aid office can be of assistance in this endeavor.

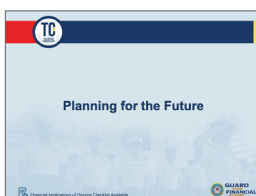
Student loans

If you still 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.

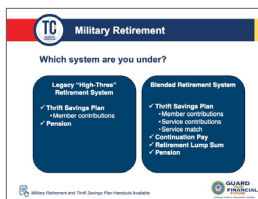
Review the *Paying off Student Loans* Handout for more information.

Planning for the Future

Next, we'll cover important topics related to retirement, insurance, and estate planning.



SLIDE 16



SLIDE 17

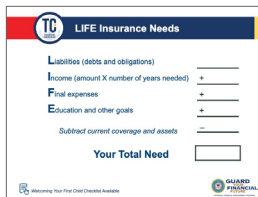
Military Retirement



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

As a class, review the *Military Retirement* Handout. Which retirement system does each Coasts Guard member fall under? Cover the different components of each retirement system. For BRS, emphasize the importance of contributing to the TSP. While other goals might take more priority at this point, such as building your emergency fund, don't forget to make your retirement savings a priority, too!

Retirement may seem like a distant goal, but it'll be here before you know it, so it's important to start planning for it now to build financial security during those years. The most powerful factor that you have is time. Starting to invest now for retirement offers two essential tools for accumulating wealth — compound interest and long-term growth potential.



SLIDE 18

LIFE Insurance Needs



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

To accommodate your growing family, you should pause to 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.

- **Liabilities** – These are debts you would like to pay off, such as a mortgage, car loans or credit cards.
- **Income to be replaced** – Think about how much of your annual income you'd like to replace. Multiply that by the number of years. So, if you want to replace \$20,000 of income for 25 years, that's \$500,000.

- **Funeral and final expenses** – Come up with how much to set aside for funeral and other final expenses.
- **Education and other goals** – Think about the money you'd like to provide for your survivors' education and other goals.

After you've added it all up, subtract Servicemembers' Group Life Insurance (SGLI) and other coverage you already have plus assets and benefits available at your death.

If you determine your need for life insurance coverage exceeds what SGLI provides, there are many types of private life insurance policies, such as term life, whole life, universal life, etc. Be sure to research and understand the costs, benefits, terms, and conditions of any policy you consider purchasing. Remember that a PFM can help you determine the types and amount of life insurance needed to fill any coverage gaps.



SLIDE 19

Life Insurance Options

With the addition of a new child to your family, this is a great time to know and understand your options for life insurance.

Servicemembers' Group Life Insurance (SGLI)

You're automatically insured for \$500,000 unless you decline coverage or choose a smaller amount. Review your beneficiary designation and be sure it is aligned with your current wishes.

Reserve members assigned to a unit scheduled to perform at least 12 periods of inactive duty creditable for retirement purposes can purchase full-time SGLI coverage that is in effect 365 days of the year.

Family Servicemembers' Group Life Insurance (FSGLI)

Family SGLI offers coverage for spouses and dependent children of Coast Guard members who are covered by full-time SGLI. You can get up to \$100,000 in coverage for a spouse — not to exceed your own SGLI coverage. Each dependent child is automatically covered for \$10,000 when they're enrolled in the Defense Enrollment Eligibility Reporting System (DEERS).

If you're married, make sure you have adequate life insurance coverage for your spouse. Even if he or she is not currently employed, losing their contribution to the household could have a big financial impact, particularly if you have children and you'd need to hire additional help taking care of them.

You can update SGLI and FSGLI online using the SGLI Online Enrollment System (SOES). Sign in to <https://milconnect.dmdc.osd.mil/milconnect/> and go to the "Manage my SGLI" tab.

Private life insurance

Review private life insurance coverage and update beneficiaries as needed. Keep in mind your will does not overrule your beneficiary designations. It is a good idea to review your beneficiary designations on an annual basis or when you experience a major life event, like welcoming a new child.

If you're looking for more life insurance, there are two main types: term and permanent. 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.

Watch out for policy exclusions. These include things that are not covered, such as war clauses or other restrictions you may not have known about.

Make sure you understand the terms and conditions of your policy, including the policy premium payments. Include your premium payments in your spending plan.



SLIDE 20

Property Insurance

Review and update your homeowners or renters, and auto insurance policies to ensure they are adequate for your new circumstances.

Homeowners

If you made significant renovations or updates to your home, make sure your current policy covers your improvements.

Renters

If you're renting, understand that your landlord's insurance protects the building but doesn't cover your stuff. That's why renters insurance is very important. A new child in your home may mean you have more personal property to protect. Ensure these items are covered under your policy.

Liability

It is important to know that your exposure to property or liability losses might be higher with a new child in the household than it was before. For example, new friends may bring their children to your home. Be sure you have enough liability insurance to cover injuries to playmates occurring on your property. You may want to consider purchasing an "umbrella" or excess liability policy in addition to homeowners or renters insurance.

Auto

Review your auto policy coverage. Also, become familiar with your state's laws and the importance of properly installing child safety restraint seats. There may be a class or representative available to assist you. Contact the HSWL Regional Practice for information.



SLIDE 21

Estate Planning



INSTRUCTOR NOTE: Review the *Estate Planning* Handout.

Estate planning is for everyone

Estate planning is not just for the wealthy. It's for nearly everyone who owns property, which can include a house, car or savings account. Good estate plans address important situations that could arise should something happen to you, including:

- What happens to your property?
- Who cares for your children?
- Who oversees your finances and health care options when you can't?

Estate planning involves making decisions about how things like your real estate, investments, Social Security, cash, life insurance and business interests are used, maintained and distributed should you become incapacitated or after your death.

Estate planning offers you peace of mind by ensuring that you have your affairs in order for your loved ones in the event of your death and makes sure they are cared for according to your wishes. It can save you and your loved ones time and money.

If you do not have an estate plan, read the *Estate Planning* Handout and seek assistance from your local legal assistance office (Active Duty) or civilian legal services (Reserve, legal services are sometimes available through civilian employers).

Key documents and considerations

Estate planning can include things like:

- Writing a will
- Giving your spouse, or another trusted individual, a power of attorney (POA), which lets them handle transactions on your behalf
- Creating a living will or medical directive that gives legal instructions about your preferences for medical care
- Establishing a trust. A trust is a legal agreement that allows a third party — a trustee — to hold and direct assets in a trust fund on behalf of a beneficiary.
- Titling your assets, which means selecting ownership arrangements for those accounts that make it easier for your survivors to inherit them.
- Determining a home of record and/or state of residence. State laws will dictate how your will is handled in probate as well as which state inheritance or estate taxes might apply to your assets.

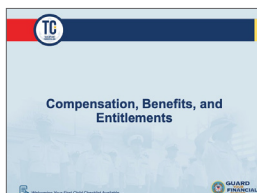
Review the handout for more on these and other important documents and considerations for your estate plan. Your local legal assistance office, or civilian legal services can help you create and update these documents and make informed decisions.

Special needs considerations

Parents with new children with special needs will also want to seek counsel with their local legal assistance office to understand special needs trust and estate planning. You may also want to complete a Special Needs Organizational Record. For all new enrollments and enrollment updates, have your medical provider or school official complete the appropriate DD Form 2792 as applicable. For more information, 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-111/Special-Needs-Program-SNP/>.

Family Care Plan

A Family Care Plan is a useful tool that can be used to assist families with children under the supervision of a designated caregiver for an extended period of time, such as during a deployment or temporary duty.



SLIDE 22

Compensation, Benefits, and Entitlements

When your little one comes into this world and under your care, you'll have many things going through your mind. Previously we discussed life and property insurance. In the next section, we'll cover important topics related to health insurance and survivor benefits.



SLIDE 23

Health and Dental Insurance



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

Health

It is important to enroll your new child in TRICARE (Active Duty), TRICARE Reserve Select (Reserve members), or other health insurance plan as soon as possible. In most cases, you will have 90 days (stateside) or 120 days (overseas) to do this. Your child must be registered in the Defense Enrollment Eligibility Reporting System (DEERS) to be enrolled in TRICARE.

If you don't enroll your child in a TRICARE plan within 120 days of birth, your child remains Direct Care Only until the next TRICARE Open Season or qualifying life event. Your child won't have access to civilian health care or retail or mail order pharmacy services.



ACTIVITY: Review the *TRICARE Overview* Handout for more information. Visit <https://tricare.mil> to find out more about your options. As a class, discuss how new children should be added in DEERS before they can be enrolled in TRICARE.

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

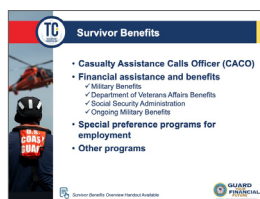
Reserve members with civilian insurance plans should review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

If your spouse is covered by other health insurance (OHI) by their employer, compare coverage with TRICARE when deciding on coverage for your new child. Research the best options for your family's unique needs and your financial situation. TRICARE is considered secondary coverage if your spouse is covered under their employer's plan. Contact TRICARE to arrange coordination of benefits.

Dental

Do not forget to enroll new family member(s) in the TRICARE Dental Program (TDP) as dental coverage is separate from TRICARE medical coverage. You may enroll your family members for TDP through milConnect. Monthly premiums and copays will apply. Visit <https://tricare.mil/dental> for more information. Remember that enrolling your family into DEERS does not enroll them into a TRICARE Dental Plan. Enroll in the TDP online, on the phone, or through the mail.

INSTRUCTOR NOTE: Coast Guard members can contact 844-653-4061 or visit <https://tricare.mil/CoveredServices/Dental/TDP> to learn more. Reserve members should examine available programs to determine the best insurance available for their situation.



SLIDE 24

Survivor Benefits



INSTRUCTOR NOTE: Review the *Survivor Benefits Overview* Handout.

As we covered earlier, you can have up to \$500,000 in SGLI coverage. Your beneficiaries may not have to pay income tax on the death benefit. Don't forget to double-check whom you've named as your beneficiary. Let's review the items from the handout.

- **Casualty Assistance Calls Officer (CACO)**
- **Financial assistance and benefits**
 - ✓ Military Benefits
 - Death Gratuity
 - Online Survivor Benefits Report
 - Burial Benefits
 - Survivor Benefit Plan (SBP)
 - ✓ Department of Veterans Affairs Benefits
 - Dependency and Indemnity Compensation (DIC)
 - Special Survivor Indemnity Allowance (SSIA)
 - Parents' Dependency and Indemnity Allowance
 - Servicemembers' Group Life Insurance (SGLI)
 - Family Servicemembers' Group Life Insurance (FSGLI)

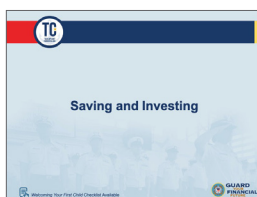
- Servicemembers' Group Life Insurance Traumatic Injury (TSGLI)
- Beneficiary financial counseling session
- VA home loans
- Bereavement counseling
- Educational benefits
- ✓ Social Security Administration
 - Payments to eligible dependents
- ✓ Ongoing Military Benefits
 - DoD Domestic Dependent Elementary and Secondary Schools
 - TRICARE Health Care Benefit
 - TRICARE Dental Program Survivor Benefit
 - Housing and allowances
 - Commissary and Exchange privileges
 - Legal assistance
 - ID card
 - Posthumous citizenship
 - Tax forgiveness
 - Contributions of Military Death Gratuities to Roth IRAs and/or Coverdell Educational Savings Accounts

• **Special Preference Programs for Employment**

- ✓ Family Member Derived Preference
- ✓ Military Spouse Appointing Authority (Executive Order 13473)

• **Additional Resources**

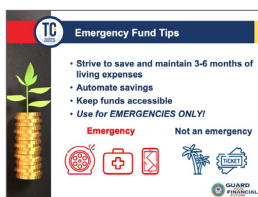
- ✓ Coast Guard Casualty Matters:
<https://www.dcms.uscg.mil/PSD/fs/Casualty-Matters/>
- ✓ DoD Survivor's Benefits Guide:
Visit <https://www.dcms.uscg.mil/Portals/10/A-Survivors-Guide-To-Benefits%20Updated.pdf>.



SLIDE 25

Saving and Investing

Remember to continue to take care of your long-term financial goals while maintaining an emergency fund. In the next section of the course, we'll cover the importance of saving for the unexpected.



SLIDE 26

Emergency Fund Tips



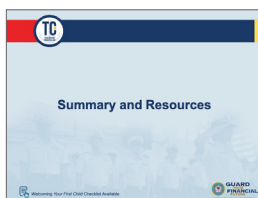
INSTRUCTOR NOTE: Play the optional video, *Emergency Funds*.

Everyone should have an emergency fund. Now that you have a new child at home, it is even more important to be prepared for unexpected expenses. The purpose of an emergency fund is to have money on hand, so you don't have to take on expensive credit card debt when surprise expenses pop up.

Strive to save and maintain three to six months of living expenses. Be sure to account for any additional monthly expenses for child care, diapers, formula, doctor appointment copays, etc. Set aside a little each paycheck to help you reach your goal. You can even automate savings by setting up an automatic transfer each month or pay period.

It is a good idea to keep your emergency fund in a separate, low-risk account that you can access easily and without penalty. A savings or money market account are good options.

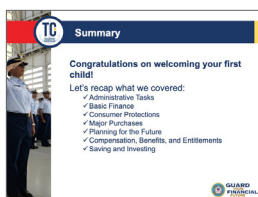
Remember, use your emergency fund for emergencies only. Think back on a time when you experienced an emergency. Maybe it was unplanned travel, a broken appliance, or a broken-down vehicle. Having money in the bank to deal with challenges like this can reduce your stress and minimize negative financial impacts. If you have to use your emergency fund, make a plan to replenish it as soon as possible.



SLIDE 27

Summary and Resources

Let's conclude today's training with a summary of the content we covered and resources that can help you and your family.

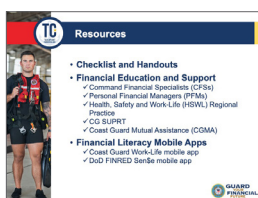


SLIDE 28

Summary

Congratulations on welcoming your first child! We've reached the end of today's training, so let's take a moment to recap what we've covered:

- Administrative Tasks
- Basic Finance
- Consumer Protections
- Major Purchases
- Planning for the Future
- Compensation, Benefits, and Entitlements
- Saving and Investing



SLIDE 29

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 and Coast Guard Mutual Assistance (CGMA) 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 welcome home your new child. Please let me know if you have any questions or would like to schedule an in-person appointment to review your finances.