

2025 TAP CURRICULUM

FINANCIAL PLANNING FOR TRANSITION

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Facilitator Guidelines

DoD Transition Assistance Program (TAP) curricula is required to reflect current trends in transition and education and be presented in a manner consistent with the tenets of adult learning theory.

These guidelines are designed to support facilitators as they prepare for and present TAP courses. The following topics are included:

- Course materials
 - Sample Facilitator Guide
 - Course Preparation Checklist
- Facilitation Methods
 - Interactive Demonstrations and Activities
 - Parking Lot
 - Effective Facilitation with Adult Learners
 - Effective Presentation Practices
 - Guidelines for the Delivery of Instructor-led Virtual Training

Course Materials

All DoD TAP courses include a Participant Guide, a Facilitator Guide, and a slide deck. The DoD Financial Planning for Transition course includes an additional document—the Spending Plan.

The Facilitator Guide follows the slide presentation and provides an image of the slide with the corresponding Participant Guide page number, notes to aid in the facilitation of the section, and additional information. Facilitators should use both the Participant and Facilitator Guides to conduct the course as content information is **not** included in the Facilitator Guide. The following page contains a sample Facilitator Guide page.

Some courses include activities that require additional supplies, e.g., chart paper/dry erase board, post-it notes, note paper, and markers. Review the course in advance and secure the required supplies.


Sample Facilitator Guide

Section Title

Slide Image

PG page number included on slides

PG, p.

Facilitator Notes	<ul style="list-style-type: none">• Notes to aid in the facilitation of the section• Additional topic-related information not included in the Participant Guide
	<ul style="list-style-type: none">• The graphic on the left and gray shading indicate there is an activity or demonstration associated with the material being presented. Instructions to conduct the activity or demonstration will be included in this section.• During breaks and lunch, it is recommended you preview the sections to be presented during the next segment of instruction and prepare websites for activities and demonstrations.

Course Preparation Checklist

In preparation for the course, complete the following:

- ☐ Familiarize yourself with the Facilitator and Participant Guides and prepare to facilitate the course.
- ☐ Be prepared to facilitate the activity at the beginning of the course that directs participants to download the writeable PDF version of the curriculum located at <https://www.TAPevents.mil/Resources> or provide hard copies to all participants.
- ☐ Research the demographics of course participants in advance and tailor activities and examples to the audience.
- ☐ Check Internet access; be prepared to use the screen shots in the slide deck, if necessary.
- ☐ Check the web links used for web demonstrations prior to delivery as they may have changed since publication.
- ☐ Secure projection equipment (including projection screen suitable for audience size) and the most recent version of the course slide deck.
- ☐ Participants need computer access to participate fully in TAP courses. Be prepared to support Service members in the use of computers provided by the installation or encourage them to bring their personal computers or mobile devices to use during TAP.

Facilitation Methods

Interactive Demonstrations and Activities

Some courses include facilitator-led demonstrations and activities.

- During a **demonstration**, participants observe while you explore content-related websites and tools. Demonstrations typically require an Internet connection. Where appropriate, screenshots of demonstrations have been included to use if Internet access is not available. Prepare web demonstrations during the break prior to their use.
- During an **activity**, participants actively engage in exercises, group projects, or discussions. Look for visual and auditory cues, such as heads up, side conversations, eye contact, pens down, etc., to gauge when to wrap-up the activity.
- Conclude the section by answering any participant questions.

Parking Lot

As you progress through the material, you may get questions from participants that require further research or may be better suited for another part of the discussion. You can create a list—a “parking lot”—to collect these questions. Encourage participants to add additional questions to the parking lot throughout the course. Check the parking lot at the end of the course to ensure you have answered relevant questions and provide contacts or resources for any unanswered questions.

Effective Facilitation with Adult Learners

As a facilitator, it is important to understand how adults learn. Extensive research in the field of adult learning theory offers the following principles when instructing adults.

Adult learners need to know “why.”

Make the content meaningful to them by providing real-life examples of how they will use the knowledge and why it is important for them. Stories are a powerful teaching tool—keep them brief, relevant, and appropriate.

Adults learn best through exploration activities.

Resist the temptation to save time by skipping the activities in the curriculum and relying on lecture and slide presentations. Doing so will likely lose your audience’s attention, and they will not learn or retain the information.

Adults need information simplified to avoid information overload.

Present the information in a clear, concise, systematic manner, followed by an activity or discussion. Avoid the temptation to add more information than is covered in the curriculum or use terms or acronyms that are not explained in the materials. Avoid talking and/or adding more information while they work on an activity. Give regular breaks (10 minutes per hour) to allow participants to move around and informally discuss what they have learned.

Adults want respect.

Adults bring myriad skills and experiences into the course. Acknowledge their education and training and give opportunities for them to share their ideas and thoughts with the class. Invite them to participate, but never force anyone to read, write on the board, or share personal information. With adult learners, the dialogue is not just between the instructor and participants, but also among learners as they share their previous knowledge and experiences with each other.

Adults like to give feedback and get feedback.

Adult learners like to be involved in the creation and evaluation of their learning; allow adequate time for questions and answers. At the end of each course, encourage all participants to complete the online assessment and emphasize the importance of their feedback.

Effective Presentation Practices

The slide deck that accompanies this curriculum is designed to support the content included in the Facilitator and Resource Guides by offering a visual for the audience that reinforces what is being presented verbally. Slides may show graphics, screenshots, or photos that reinforce the message or bullet points that summarize key concepts. Not all content in the Guides will be represented by a slide. Below are some strategies on how to use the slide deck effectively to enhance your presentation.

Review the content in the facilitator guide and slides

- Write out what you want to say for each slide; add notes to the PP note pane, if necessary.
- Decide where it would be most effective to blank the slide presentation to minimize audience distraction.

Practice

- Practice **aloud** what you will say for each slide.
- Do not read your notes. Just be sure to cover all the important points.

Remove unnecessary words

- Filler words—um, like, so, ah, OK, y' know—can be distracting to the point where the message is lost.
- Record (audio or video) your presentation to identify your filler words and replace them with a pause. Allowing a moment of silence will not seem awkward to your audience.

Be prepared

- Use the **Course Preparation Checklist** in this document to gather the required materials.
- Assess everything! Make sure the projector, slides, web links, etc. are working as expected.
- Have a backup plan if an equipment failure occurs.

Guidelines for the Delivery of Instructor-led Virtual Courses

Request a producer or assistant be assigned to your virtual course. Producers or assistants will help you focus on presenting the subject matter and guiding activities. They are there to make sure the platform runs smoothly and to troubleshoot technical issues for individual learners. It is smart for you and your producer/assistant to do a technical practice-run prior to your facilitating the course.

Collect demographic information about the learners prior to training or, if that is not possible, during training. For in-person facilitation, you can probably gather quite a bit of knowledge about the learners just by looking at them or seeing them interact with each other. However, for virtual training, you need to formally seek this information so you can best tailor course content. If the class is larger, find a way to collect demographic data without slowing down the pace of training.

Confirm the learners know how to use the application. If learners are unfamiliar with the platform, start the session by introducing the interface components. Let them practice using the interactive tools.

Use the various learner interactions recommended in the curriculum. Interaction, however, needs to enhance learning and should not be used gratuitously. If it is not possible to have an interaction after 10-20 minutes of lecture, check that participants are still with you by asking for a comment, a “raised hand,” or other visual indication.



Give learners a substantial break every 60 minutes. Research on virtual training shows levels of engagement and learning diminish considerably past this period of time. Seriously consider dividing courses that are longer than 60 minutes into shorter, discreet courses or modules. If that cannot be done, incorporate at least a 15-minute break after 60 minutes of class time during the training session.

Make sure learners can see you at least periodically during training if the platform and bandwidth allow. It is important to try and create as much of an in-person experience as possible in the virtual environment. Allowing learners to see faces and expressions will help.

Keep a check on energy level. It is difficult to create the energy of the classroom in the virtual environment. You can remedy this, to a large extent, by showing enthusiasm for the subject matter, for facilitating, and for the students by word choice, pace, and voice. Remember that in the virtual world, your voice is the stand-in for body language.

Download Participant Guide and Spending Plan


FINANCIAL PLANNING FOR TRANSITION
DOWNLOADS

PARTICIPANT GUIDE 	<ol style="list-style-type: none"> 1. Use the URLs below or the QR codes to go to: <u>Participant Guide:</u> https://tapevents.mil/Assets/ResourceContent/TAP/Financial_Planning_Transition.pdf <u>Spending Plan:</u> https://tapevents.mil/Assets/ResourceContent/TAP/Spending_Plan_WkBk.xlsx 2. Download and save the documents on your computer or email them to yourself if using a government computer. 	SPENDING PLAN 
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PG, p. 1

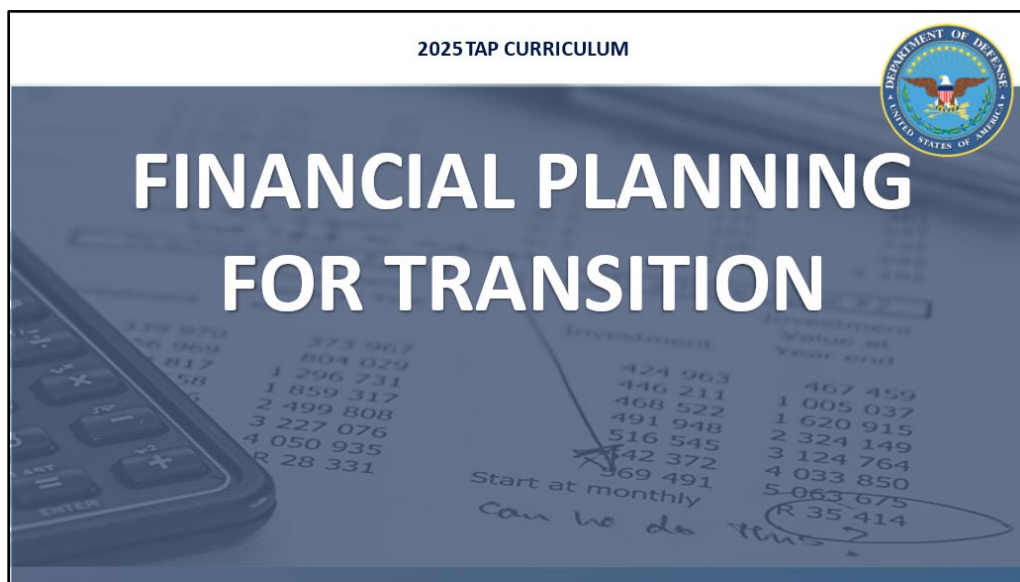
←

NOTE: The corresponding page of the Participant Guide (PG) will appear in the left, bottom corner of each slide.

Facilitator Notes	<ul style="list-style-type: none"> • The Financial Planning for Transition course must be delivered by a nationally recognized certified financial counselor per DoDi 1332.35. • Display the slide prior to the start of the workshop. • Some installations provide hard copies of the Participant Guide, and some installations/Services provide their own spending plans. • Instruct Service members to download the writeable PDF of the Participant Guide prior to the start of the course. • If the DoD Spending Plan is being used for the course and hard copies are not available, allow time for participants to download the Excel spreadsheet. • Note the corresponding page number in the Participant Guide is in the bottom left corner of each slide.
	<p>ACTIVITY: Download the Financial Planning for Transition Participant Guide and DoD Spending Plan</p> <p>INSTRUCTIONS:</p> <ol style="list-style-type: none"> 1. To access the Participant Guide, scan the QR codes or go to the websites on the screen to download the Participant Guide and DoD Spending Plan.

- | | |
|--|---|
| | 2. Download and save the documents. If not using a personal computer, email the guide to yourself for future reference. |
|--|---|

INTRODUCTION to FINANCIAL PLANNING

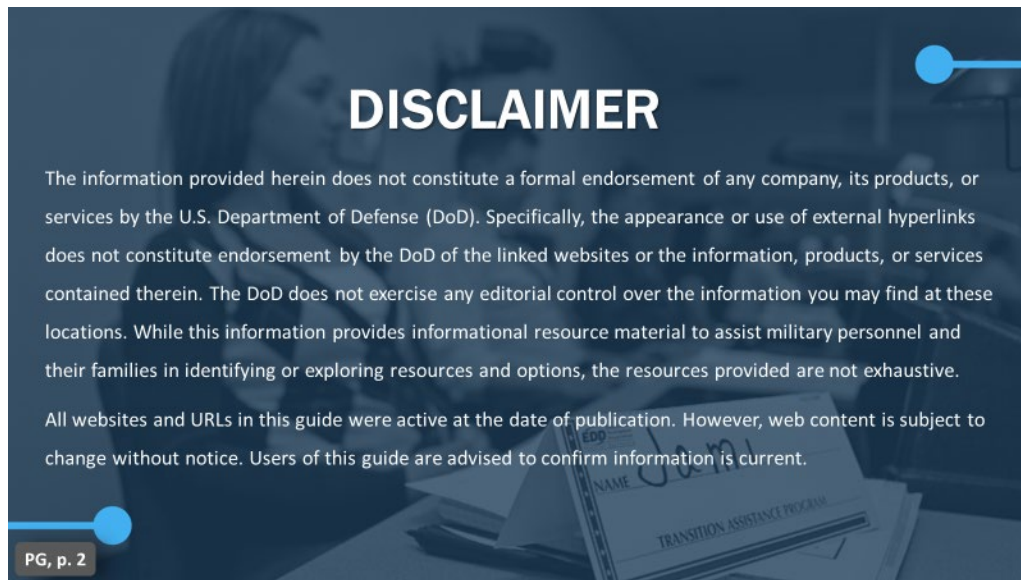


Facilitator
Notes

Course Length: 3.5 – 4.5 hours

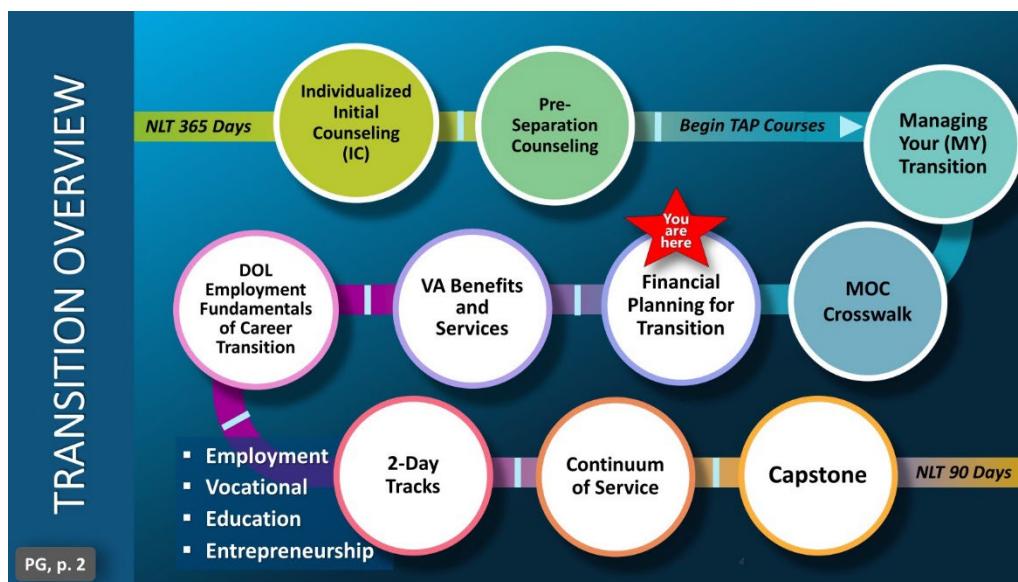
- Times suggested for each section are approximate and will fluctuate depending on the number of participants, prior knowledge of the topics, and the amount of participation. Assess the audience for understanding and adjust the delivery as needed.
 - Introduction: 10 minutes
 - Income: 50 minutes
 - Expenses: 60 minutes
 - Debt and Credit: 70 minutes
 - Assets: 45 minutes
 - Financial Planning for YOUR Transition: 25 minutes
 - Conclusion/Wrap Up: 10 minutes
- All Service members (SM) are required by statute to attend the course and complete the activities even if exempt from completing the Career Readiness Standard (CRS).
- **Message to the participants:** The purpose of this course is to focus on the financial aspect of **YOUR** transition. Using various websites and resources, you will identify possible changes to your finances due to transition to include salary requirements, taxes, and healthcare costs.

Introduction to Financial Planning



Facilitator Notes	<p>Give SM a moment to read the disclaimer.</p> <p>Emphasize: All websites and URLs in this guide were active at the date of publication. However, web content is subject to change without notice. Users of this guide are advised to confirm information is current.</p> <ul style="list-style-type: none">• Explain that the DoD cannot endorse any external products or websites.• The websites used during this workshop are suggested because they have been found to contain valuable information.• The resources shared are not the only websites available for additional information.
Additional Information	<p>Approved Use of Non-Federal Entity (NFE) Websites/Resources in TAP Curriculum: In May 2021, the DODHRA HQ Office of the General Counsel (OGC) approved the use of NFE websites in TAP curricula if a government resource is not available provided the disclaimer included in this brief is presented to participants.</p>

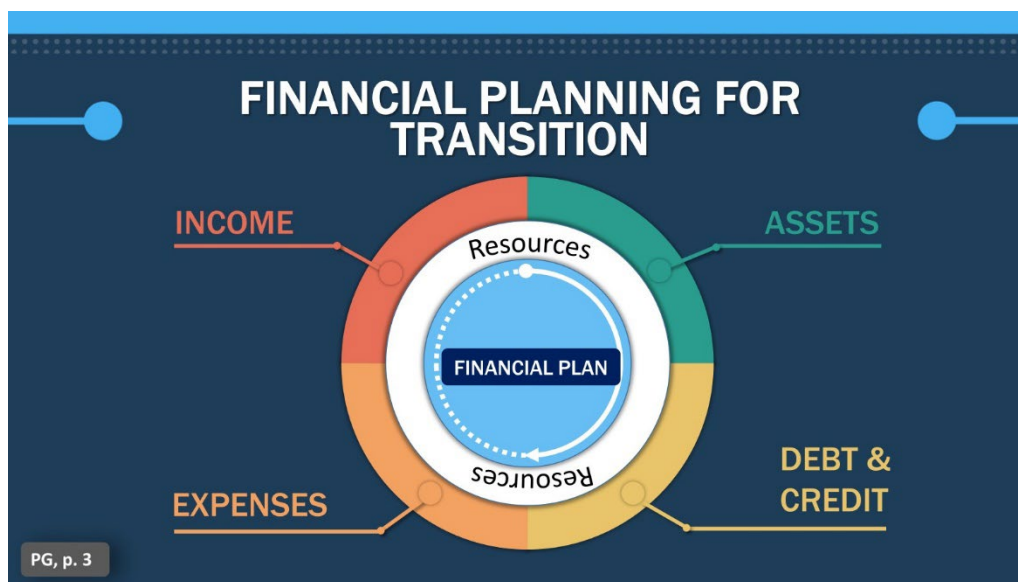
Introduction to Financial Planning



Facilitator Notes

- Confirm that participants have completed Initial Counseling and Pre-Separation Counseling. If not, instruct them to see a TAP counselor for further guidance.
- The red star indicates where participants are in the process.
- The exact order of modules may vary.
- Ask if there are any questions about the process. Do **NOT** provide details on the remaining modules that were presented during Pre-Separation Counseling and reviewed during Managing Your (MY) Transition.

Introduction to Financial Planning



Facilitator Notes

- Provide a broad overview of financial topics that this course will cover (i.e., income, assets, expenses, debt, and credit).
- Explain that personal finance is personal and there are many theories on the best ways to be financially secure. **(Facilitators should not be biased toward any specific theory or indicate personal preference.)**
- Provide a few examples of different personal financial theories (Suzie Orman, Dave Ramsey, cash envelope, tracking every penny, general knowledge, etc.).
- This class is to provide the participant with the knowledge to understand the financial changes that occur during and after transition and to identify and mitigate possible financial risks.
- Each Service may have a different spending plan to use during the workshop or choose to use the one provided. Because spending plans vary between Services, the PG has non-specific instructions when referring to the spending plan along with more specific instructions for those using the DOD spending plan.



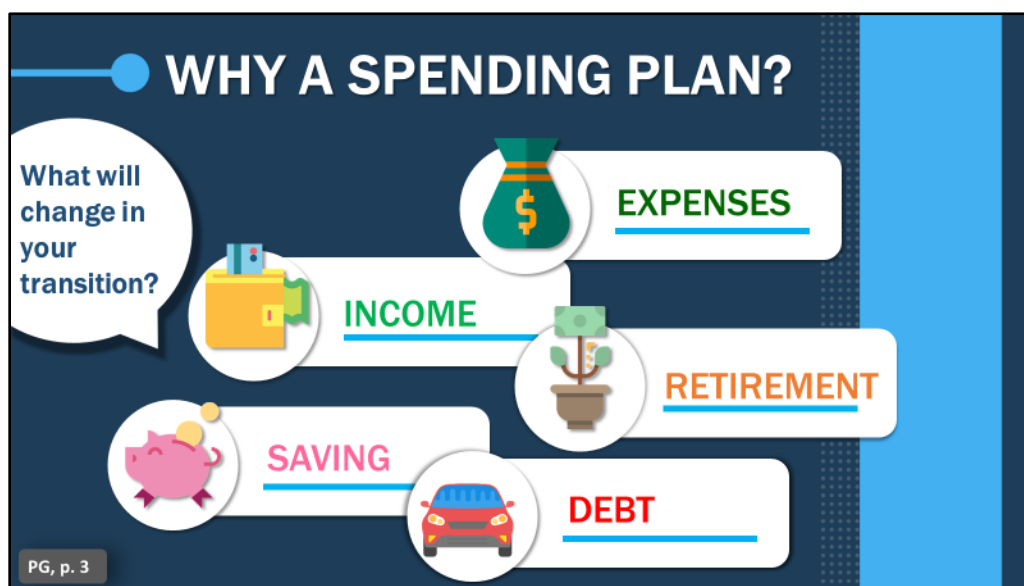
ACTIVITY: Polling for Knowledge

INSTRUCTIONS: Ask the following questions and have participants respond by raising their hands:

How many...

- Have a current spending plan?
- Understand how taxes will change post-transition?
- Understand the basics of healthcare?
- Know the possible options for TSP?

Introduction to Financial Planning



Facilitator Notes

Ask participants why a spending plan should be created/updated prior to transition.

Solicit responses. Below are a few examples of possible answers.

- My expenses may change (i.e., increase in housing costs, need to purchase a vehicle, insurance payments, loss of commissary and Exchange privileges, etc.)
- I might need to work while in school or starting my business.
- It is good to understand one's financial situation before a major life event or transition.
- I need to know how much income is needed to maintain my current lifestyle
- I should understand how to decrease expenses to save money or pay down debts.

By creating/updating a spending plan, participants should understand their current financial situation and be better prepared for financial changes due to transition.

INCOME

INCOME

LEARNING OBJECTIVES:

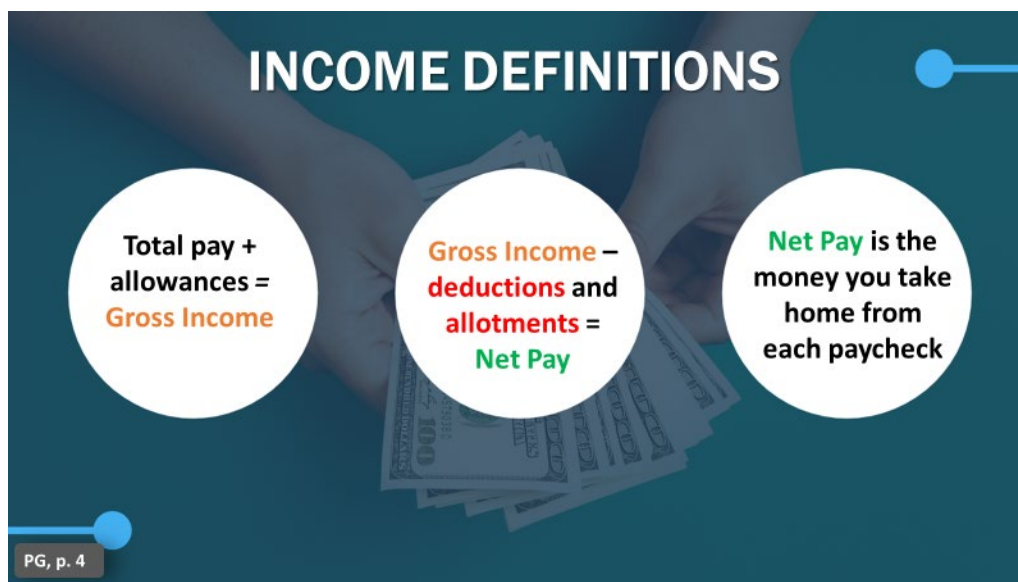
- Evaluate current military income and compensation.
- Compare military income and compensation to projected civilian salary equivalent.
- Examine the difference in tax liability between current military compensation and projected civilian salary.

PG, p. 4

Facilitator
Notes

- Review Learning Objectives
 - The purpose of this section is to evaluate current income and determine how much income is needed after transition.
 - **ASK:** How many of you know how much money you need to keep your current lifestyle?
-

Income



Facilitator Notes	<p>This should be a review for most of the class. Quickly explain the following terms.</p> <ul style="list-style-type: none">• GROSS INCOME: Wages to include all pay, allowances, and entitlements.• DEDUCTIONS: Required amounts removed from your paycheck, include taxes, benefits (i.e., insurance), and garnishments. The total deductions and includes items such taxes, social security, Medicare, SGLI, TSP contributions from your military paycheck.• ALLOTMENTS: allotments are a personal choice amounts to be deducted from your paycheck.• NET PAY: Wages after all deductions and allotments, have been removed and is the amount you take home each month.
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Income



ACTIVITY– Access Your LES



CG Payslip:
<https://dcms.uscg.mil>




Use your Service website or the QR code to access your LES or Payslip.

MyPay DFAS:
<https://mypay.dfas.mil/#/>



PG, p. 5

Facilitator Notes	The next step is to have participants access their LES or Payslip and identify the amount for the each of the terms defined on the previous slide.
	<p>ACTIVITY: Access LES or Payslip</p> <p>INSTRUCTIONS: Have participants download or access their LES or Payslip using the appropriate QR code or website shown on the slide.</p>

Income

LEAVE AND EARNING STATEMENT (LES)

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT									
NAME (Last, First,MI)	SOC. SEC. NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSN/DSSN	PERIOD COVERED	
	XXX-XX-XXXX	E7	220505	27	200731	ARMY	6411	1-31 MAY 22	
ENTITLEMENTS		DEDUCTIONS		ALLOTMENTS		SUMMARY			
Type	Amount	Type	Amount	Type	Amount	*Amt Fwd			
BASE PAY	5291.40	FEDERAL TAXES	143.79	DISCRETIONARY ALT	111.11	*TOT ENT 6111.09			
BAS	369.39	FICA-SOC SECURITY	328.07	TSP LOAN	177.72				
BAH	30	FICA-MEDICARE	76.73	INSURANCE ALLOT	37.50	*TOT DED 3333.05			
SPEC DUTY PAY	450.00	SGLI	29.00	INSURANCE ALLOT	100.00				
		AFPM	50	BANK ACCT ALLOT	903.50	*TOT ALMT 1049.83			
		SGLI FAM/SPOUSE	5.00	BANK ACCT ALLOT	20.00				
		TRADITIONAL TSP	574.14			*NET AMT 1728.21			
		ROTH TSP	448.90						
		MID-MONTH-PAY	1728.92			-CR FWR 00			
						*EOM PAY 1728.21			
						DIEMS			
						RET PLAN			
TOTAL	6111.09		3333.05		1049.83	0			
Wage Period	Wage YTD	M/SH	Mult Jobs	Dep 17 Under	Other Dep	Adtl Tax	Other Deds	Other Income	Tax YTD

PG, p. 5

Facilitator Notes

While this section of the course focuses on Income, participants are asked to fill in all the information from the LES to avoid returning to the LES later.

DoD LES—**SKIP** if DoD Service members are not present in the class.

- Explain the terms below and how the LES will be used to fill out the current INCOME, TAXES, DEDUCTIONS, and ALLOTMENTS on the spending plan.
 - GROSS Income:** TOT ENT or Entitlements provides your gross income. (Red)
 - Deductions:** TOT DED or DEDUCTIONS is the total deductions and includes items such taxes, social security, Medicare, SGIL, TSP contributions. (Blue) **DO NOT INCLUDE the MID-MONTH PAY**
 - Allotments:** TOT AMT or ALLOTMENTS shows your total allotments. (Yellow)
 - Net/Take Home Pay:** amount you take home each month. (Green)
- Instruct participants to add LES information to the spending plan, e.g., gross income, net monthly income, deductions, taxes, allotments.
- DoD SP: B7—monthly gross income; B10—monthly net pay; B41—monthly taxes; B42—monthly deductions; B43—monthly allotments

Income

Marine Corps LEAVE AND EARNING STATEMENT (LES)

Remarks			
ERUGHT FWD	.00		
ENTITLEMENTS			
BASIC PAY	2,259.90	TAXABLE FOR FITW, SITW & FICA	
BAS (MONTHLY)	452.56		
BAH PARTIAL	7.80		
TOTAL	2,720.26		
DEDUCTIONS			
FITW (FED TAX)	157.35		
SOCIAL SECURITY	140.11		
MEDICARE	32.77		
SITW (STATE TAX NY)	76.67		
SGLI \$500,000	30.00		
TSGLI	1.00		
BAS DISC MEAL RATE	387.00		
USN/MC RET HOME	.50		
TSP ROTH	180.79	JUN 2023	
CHARITY ALLOTMENT	10.00	0954 NRS CONTRIBUTION	
		START 20230601 AMOUNT 10.00	
TOTAL	1,016.19		
PAYMENTS			
REGULAR PAYMENT	852.06	DATE	DSSN VCU
		20230615	0777 0000030017
REGULAR PAYMENT	852.01	20230630	0777 0000030018
TOTAL	1,704.07		

PG, p. 5

Facilitator Notes

Marine Corps LES—**SKIP** if Marines are not present in the class.

- Explain the terms below and how the LES will be used to fill out the current INCOME, TAXES, DEDUCTIONS, and ALLOTMENTS on the spending plan.
 - **GROSS Income:** TOT ENT or Entitlements provides your gross income. (Red)
 - **Deductions:** TOT DED or DEDUCTIONS is the total deductions and includes items such taxes, social security, Medicare, SGLI, TSP contributions. (Blue)
 - **Allotments:** TOT AMT or ALLOTMENTS shows your total allotments. (Yellow)
 - **Net/Take Home Pay:** amount you take home each month. (Green)

Income

[illegible]

Facilitator Notes	<p>Coast Guard Payslip—SKIP if Coast Guard members are not present in the class</p> <ul style="list-style-type: none">• Coast Guard uses Payslip as the equivalent to an LES.• Explain the terms below and how the Payslip will be used to fill out the current INCOME, TAXES, DEDUCTIONS, and ALLOTMENTS on the spending plan<ul style="list-style-type: none">• GROSS Income: Earnings provides your gross income. (Red)○ Deductions: TAXES + DEDUCTIONS are the total deductions and includes items such taxes, social security, Medicare, SGLI, TSP contributions. (Blue)○ Allotments: ALLOTMENTS shows your total allotments. (Yellow)• Net/Take Home Pay: amount you take home each month. (Green)
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Income

SPENDING PLAN UPDATE – INCOME

- Income from LES or Payslip to include all entitlements
- Spouse income
- Income from additional sources
- Taxes, deductions, and allotments

PG, p. 7



Facilitator Guide	<p>Ask what are additional sources of income?</p> <p>Answers may vary (e.g., spouse, second job, annuity, investment, rental house, child support/alimony, medical payments, parental support).</p> <p>Acknowledge these additional sources of income should be included on the spending plan.</p>
	<p>ACTIVITY: Update Income section of Spending Plan</p> <p>INSTRUCTIONS: Using the LES and Payslip, have participants update income and other items related to income, i.e., taxes, deductions, allotments, and monthly net pay to the spending plan.</p> <p>DOD Spending Plan Instructions: Add MONTHLY GROSS income (B7) and annual GROSS income will be calculated. Add monthly NET PAY (B10) and the twice monthly and NET annual amount will be calculated. Under <i>Other Income Sources</i>, add monthly NET spouse income (B14) and all other sources of income (B15-18). Under the deductions section, add federal and state taxes (B41). Repeat for the deductions/allotments (B42-43). The spending plan will automatically calculate your annual taxes and total monthly deductions.</p>

Income

CIVILIAN
SALARY
EQUIVALENT

SEPARATING:

- E-4
- 4 years of service
- Single
- Washington D.C.; 20002

Current Salary:

- \$36,796
- \$68,347 with BAH, BAS

Civilian Equivalent:

- \$ 72,649

PG, p. 8

CIVILIAN
SALARY
EQUIVALENT

RETIRING:

- O-5
- 20 years of Service
- Married
- Two Children
- San Antonio TX; 78150

Current Salary:

- \$133,117
- \$168,800 with BAH, BAS

Civilian Equivalent:

- \$176,301

PG, p. 9

CIVILIAN
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EQUIVALENT

SEPARATING:

- E-4
- 4 years of service
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Current Salary:

- \$36,796
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PG, p. 8

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Current Salary:

- \$133,117
- \$168,800 with BAH, BAS

Civilian Equivalent:

- \$176,301

PG, p. 9

SLIDE 14: Scenario 1

SLIDE 15: Scenario 2

Facilitator
Notes

Both
slides are
animated.
Describe
the
scenario
first; click
to load
the white
box with
the
calculation
results.

Use the scenario that fits the demographics of your class; SKIP/
HIDE the other.


- The scenarios will be used throughout the course as an option to use when demonstrating the website activities, or you can ask for a participant to volunteer their information.
 - (SLIDE 14) - **Scenario 1:** E-4, single, living in Washington, D.C., separating after 4 years
 - \$72,649 (yearly) or \$6,054 (monthly)
 - (SLIDE 15) - **Scenario 2:** O-5, married, living in San Antonio, TX, retiring after 20 years
 - \$176,301(yearly) or \$14,692 (monthly)

Present the following information to participants:

- The Civilian Salary Equivalent is used to estimate a civilian salary equal to your military pay that allows you to maintain your current lifestyle.
- The amount provided by the calculator includes basic pay only and does not include special pays or other types of compensation.
- Both slides and the graphics in the PG have Annual Basic Pay, Non-taxable Allowances, and Tax Advantage highlighted in boxes.

Financial Planning for Transition 2025 Page 24

Income




ACTIVITY– Civilian Salary Equivalent


1. Go to the [RMC Calculator](https://militarypay.defense.gov/Calculators/RMC-Calculator/) link below or use the QR code
2. Provide the information requested on the RMC Calculator.
3. Click Calculate
4. **Divide your salary equivalent by 12 to determine your monthly salary.**
5. Write the total MONTHLY SALARY on the spending plan.
6. Add any additional sources of income to the spending plan for a full monthly income amount.

<https://militarypay.defense.gov/Calculators/RMC-Calculator/>

PG, p. 10


Regular Military Compensation Calculator (RMC)



	<p>ACTIVITY: Estimate Civilian Salary Equivalent</p> <p>INSTRUCTIONS: Have participants use the website or QR code to access the calculator for estimating their civilian salary equivalent. Depending on the spending plan being used, the salary equivalent number may need to be divided by 12 for a monthly salary. Add the monthly salary amount to the spending plan.</p> <p>Ask about any other sources of income: spouse income, second job, rental property, child support or alimony, and financial support from programs such as Women, Infants and Children (WIC) or Supplemental Nutrition Assistance Program (SNAP).</p> <p>DoD Spending Plan Instructions: Add SALARY EQUIVALENT under the appropriate line in the PROJECTED column. The spending plan will automatically calculate the GROSS monthly and annual income.</p> <p>Debrief: Explain the RMC calculation is based on the GROSS income with entitlements and the federal taxes owed if all three were fully taxed; BAH and BAS are not taxed, creating a tax advantage. All four combined (base pay, BAH, BAS, and tax advantage) determine the salary equivalent.</p>
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Income

**CIVILIAN SALARY EQUIVALENT:
WHAT IS MISSING?**



- Special pays and incentives
- Social Security
- Medicare
- State and local taxes
- Life and lifestyle benefits

PG, p. 10

Facilitator Guide

- RMC does NOT include special pays and incentives, Social Security, Medicare, State and local taxes, and Reduced-cost benefits.
 - Special pay/incentives are common. They are included on the LES/Payslip. If you used your LES, special pay/incentives have been included in your gross/net pay on the spend plan but not your CSE.
 - Only federal taxes are taken from the CSE, the state and local taxes will be estimated next.
-

Income



Total Compensation and Benefits

Military Comp/Benefits:

- Health insurance (i.e., TRICARE)
- Dental insurance
- Vision insurance
- Servicemembers' Group Life Insurance (SGLI)
- Family Servicemembers' Group Life Insurance (FSGLI)
- Death benefits
- Commissary privileges
- Base gym access
- Base childcare facilities, etc.

Civilian Sector:

- Bonus
- Commissions
- Paid time off
- Profit sharing
- Medical insurance
- Stock options

PG, p. 11

Facilitator Notes	<ul style="list-style-type: none">• Military benefits are used daily, but Service and family members may not realize they are a benefit and form of compensation.• Insurances (health, dental, vision, life) are the most obvious and are provided at no or low cost for both the Service and family members.• Civilian employers also have benefits. Some may have a cost associated, while others provide additional income or be a benefit of the position. Included are: healthcare, life insurance, bonus, paid time off, commissions, etc.• OPTIONAL: Ask if anyone has heard of any other benefits as this list is not inclusive.• Benefits provided to the military have a positive impact on the total compensation earned while serving in the military. As Service members transition into the civilian sector, they need to understand the monetary value of their current benefits.
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Income

COST OF BENEFITS: MIL AND CIV COMPARISON		
BENEFIT	Military Cost	Civilian Cost*
Healthcare Premium	\$0 with TRICARE	Single: \$450 Family of 4: \$1,450
Childcare	Per child/month: \$200 - \$1000	Per child/month: \$1,200
Dental insurance	Family/per month: \$30	Individual: \$20-50 Family: \$50-150
Vision insurance	\$0	Per person/per month: \$14
Gym Membership	\$0	\$40-70 per month
Family Life Insurance	\$100,000 in coverage and based on age/month: \$5-30	\$100,000 in coverage and based on age/month: \$7-36
Total	\$235 - 1,037	\$1,758-2,907
*Calculated monthly and using national average, cost varies based on location.		

PG, p. 12

Facilitator Notes

- Military members receive various benefits at reduced costs and need to be aware of how much they are saving.. The list above is **not** complete but shows how much may be saved on the various benefits listed.
- Civilian costs shown are **examples** only and are determined using the national average without state/federal subsidies. There are **many** different variables that determine the actual cost such as age, location, health, availability, etc.



ACTIVITY: Cost of Benefits: Military and Civilian Comparison

INSTRUCTIONS FOR PARTICIPANTS:

1. Estimate the increased cost of benefits you plan to use after transition.
2. Add this amount to the monthly Salary Equivalent—additional income is required to cover the higher cost of benefits in the civilian sector.

DoD Spending Plan Instructions: Add your estimated amount to the increased cost of benefits. Add this to the INCREASED COST OF BENEFITS (C or D 29) under PROJECTED tab. The spending plan will automatically calculate the projected GROSS MONTHLY salary equivalent.

Income

A presentation slide titled "RETIREMENT PAY" with a blue background. On the left, there is a graphic of two yellow road signs: a diamond-shaped sign with a black dollar sign (\$) and a rectangular sign with the word "RETIREMENT" in black capital letters. The slide contains a bulleted list of requirements and deductions for retirement pay. A small box in the bottom left corner of the slide reads "PG, p. 13".

RETIREMENT PAY

- Must complete the **DD 2656**, along with Service requirements.
- Amount can be estimated for income projections after retirement.
- Calculated amount may have the following deductions:
 - Federal, state, local taxes (based on state taxing of retirement pay)
 - Survivor Benefit Plan
 - Health/Life insurance


PG, p. 13

Facilitator Notes

SKIP/HIDE SLIDE if retirees are not present in class. If there are both retirees and separatees, inform participants that the next section is for retirees only.

- Military retirees receive a monthly pension from the government.
- For financial transition, it is good to have an estimate of the monthly retirement amount.
- They need to understand this is **PRE-TAX**, so the amount provided will be less due to taxes and other deductions – taxes, SBP, insurance, etc.

Income




ACTIVITY– Estimate Retirement Pay


- Use the Military Pay – Projected Retirement calculators or QR code.
- Follow the directions on the website
- To find yearly amount, roll over the first full High-3 Pension bar.
- **Divide by 12 to determine monthly pension.**
- Write your projected retirement pay under the “Projected” on the spending plan.

PG, p. 14

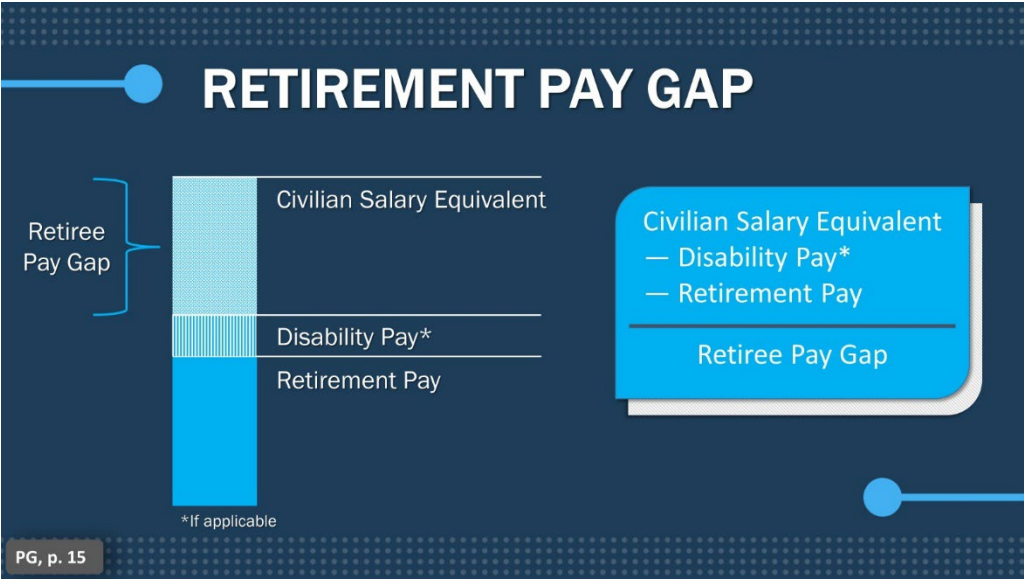
Military Pay –
Projected Retirement
Calculator




<https://militarypay.defense.gov/Calculators/>

Facilitator Notes	SKIP/HIDE SLIDE if retirees are not present in class.
	<p>ACTIVITY: Estimate Pre-Tax Retirement Pay</p> <p>INSTRUCTIONS FOR FACILITATOR:</p> <ol style="list-style-type: none"> 1. Go to https://militarypay.defense.gov/Calculators/ 2. Ask for a volunteer or use scenario. 3. Follow the directions on the website/slide. 4. Have participants complete the activity, estimate their yearly retirement pay, and add the estimated amount to the spending plan. <p>DoD Spending Plan Instructions: Add the Annual Retirement Pay in the PRE-TAX Retiree Pay section under the PROJECTED column. The monthly amount will be automatically calculated in the lines below.</p>

Income



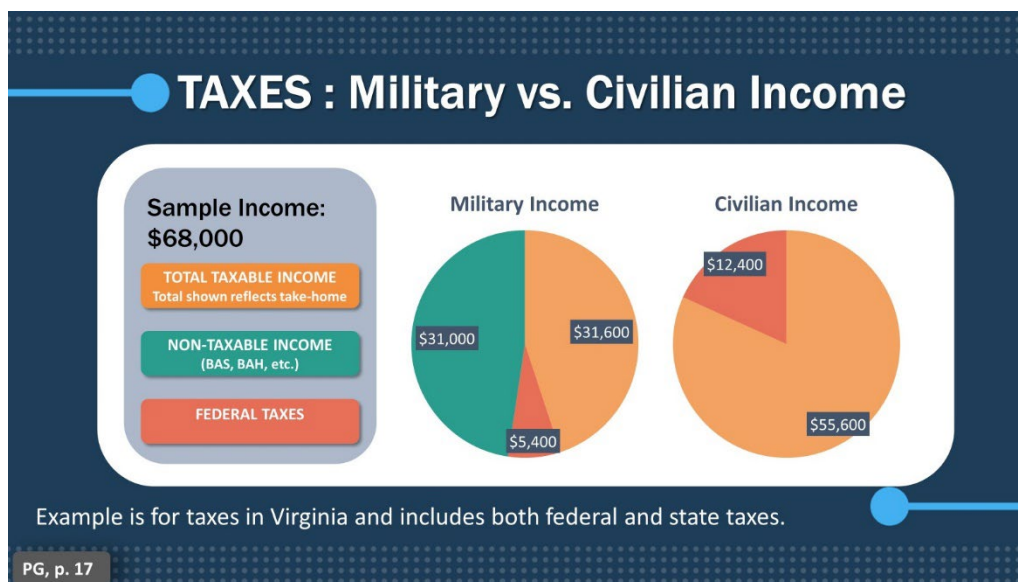
Facilitator Notes	<p>SKIP/HIDE SLIDE if retirees are not present in class.</p> <ul style="list-style-type: none">• In an earlier activity, participants determined the civilian salary equivalent to their current military income. As a retiree, some of the pay gap will be met by the military pension, but there may still be a gap between the military income and the civilian salary equivalent.• Disability pay may help fill the gap but is determined by the VA and CANNOT be estimated so it is not included in this activity.• The pay gap that remains after calculating retirement pay is the estimated salary needed post-military to maintain the current lifestyle.
	<p>ACTIVITY: Calculate Retirement Pay Gap</p> <p>INSTRUCTIONS FOR PARTICIPANTS:</p> <p>Subtract the MONTHLY estimated pre-tax retirement pay from the TOTAL salary equivalent. The result is your monthly Retiree Pay Gap.</p> <p>DoD Spending Plan Instructions: Add your Annual Retirement Pay in the PRE-TAX Retiree Pay section under the PROJECTED column. The monthly amount, along with the Pay Gap for annual and monthly, will be automatically calculated in the lines directly below.</p>

Income

<div>RETIREMENT PAY DEDUCTIONS</div> <div>PG, p. 16</div>	Tricare Health Insurance Select*	
	Annual:	Monthly:
	Individual- \$178	Individual: \$15
	Family - \$356	Family: \$30
	Tricare Health Insurance Prime*	
	Annual:	Monthly:
	Individual: \$363	Individual: \$31
	Family: \$726	Family: \$61
	Healthcare Premium** (not Tricare – from employer)	Individual: \$120 Family: \$600
	Dental Insurance	Individual: \$15-50 Family: \$40-125
	Vision Insurance	Individual: \$6-15 Family: \$13-50
SBP - Retirees		6% of chosen amount
TAXES		TBD

Facilitator Notes	<ul style="list-style-type: none">• Estimated salary equivalent and retiree pay are both pre-tax. The amounts provided by the calculators are the GROSS amount.• All paychecks have deductions and allotments, e.g., insurance, taxes, savings, etc.• Chart shows examples of deductions (not inclusive) and average amounts for 2024.
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Income

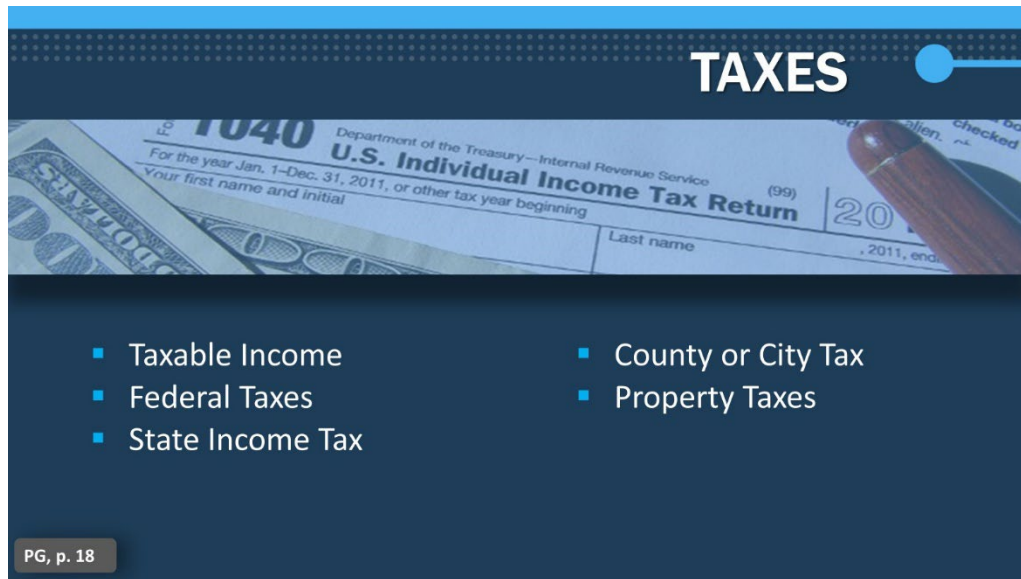


Facilitator Notes

- An increase in taxes is often cited as one of the most shocking changes after transition.
- All income received in the civilian sector is taxable income.
- The graphic shows the income of a single Service member as \$68,000.
 - While in the military, \$31,000 of the income is not taxable, and the tax liability is \$5,400.
 - After transition, the entire \$68,000 is taxable; the tax liability increases to \$12,400.

TAKE AWAY: Since all income in the civilian sector is taxable, you will need to make more income to cover the increase in taxes if you want to maintain the same lifestyle.

Income



Facilitator Notes	<p>Explain each of the following and how it can affect income after transition:</p> <ul style="list-style-type: none">• Taxable Income: While not all military compensation is taxable, ALL civilian salary will be taxed at both the federal and state levels.• Federal Taxes: Federal taxes may increase since all income earned is taxable. It is possible you will move to a higher tax bracket if you receive retirement pay and continue to be employed. Retirement pay is taxed at the federal level and states taxation of retirement pay varies by state.• State Income Tax: May not have been paying state income based on home of record. May be taxable by the state – but may vary depending on your location, disability, and veteran status.• County or City Tax: Examples include local sales tax, county/city income tax, and personal property tax for car or home; these may have been waived while in the military or may be as a retiree.• Property Taxes: Exemptions from certain property taxes or discounted rate may no longer apply. Some states do have tax incentives for Veterans, but it varies by state. <p>While most income is taxable there are some instances which are not, i.e., disability pay and MHA funds received from the GI Bill.</p>
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Income

ESTIMATE YOUR TAXES

Separating

<https://smartasset.com/taxes/paycheck-calculator>

- Enter the following information:
 - ✓ Total salary equivalent
 - ✓ Choose Salary, marital status, zip code, # of dependents and monthly.
 - ✓ Scroll to find the gross paycheck, taxes, and take-home salary.
 - ✓ Add total taxes to the spending plan.



Retiring

www.smartasset.com/retirement/retirement-taxes

- Choose the state you wish to retire in
- Complete the following information:
 - ✓ SS = \$0 (if not drawing SS)
 - ✓ Annual wages = amount needed to close the gap between retirement pay and civilian salary equivalent
 - ✓ Location = zip code
 - ✓ Year of birth
 - ✓ Filing Status
 - ✓ Click Add Pension
 - ✓ Add Military Retired Pay to Public Pension



PG, p. 19

Facilitator Guide

- The Estimate Your Taxes activity has two scenario options—one for separating Service members and one for retirees:

Scenario 1: SM is separating and will not be receiving retirement pay.

Scenario 2: SM is retiring and will be receiving a retirement check.

- Directions are provided in the PG and on the slide.
- Neither scenario includes disability pay. It should be not factored in as income since the disability has not been determined.
- There are three ways to facilitate this activity:
 - Use the slide to explain how to use the website and interpret the results.
 - Conduct a web demonstration.
 - Have participants follow along during the web demonstration on their own computers using their information, with follow-on time to research their own information (Preferred method).



ACTIVITY: Estimate Your Taxes

INSTRUCTIONS FOR FACILITATOR: Select the scenario that is most applicable for the class.

Scenario 1: Taxes After Separation—Go to <https://smartasset.com/taxes/paycheck-calculator>

1. Use information from a participant or the scenario information in the Participant Guide to populate the calculator.
2. Scroll down to see the following results:
 - a. Gross paycheck
 - b. Monthly taxes (click down arrow for full details of federal, state, local)
 - c. Monthly FICA
 - d. Take home salary
3. Add the taxes (Taxes and FICA) together; include the amount under DEDUCTIONS: MONTHLY TAXES under the PROJECTED column.

DoD Spending Plan Instructions: Add the taxes (Taxes and FICA) together; include the amount as DEDUCTIONS: MONTHLY TAXES under the PROJECTED tab (C/D 41). The annual amount will calculate automatically.

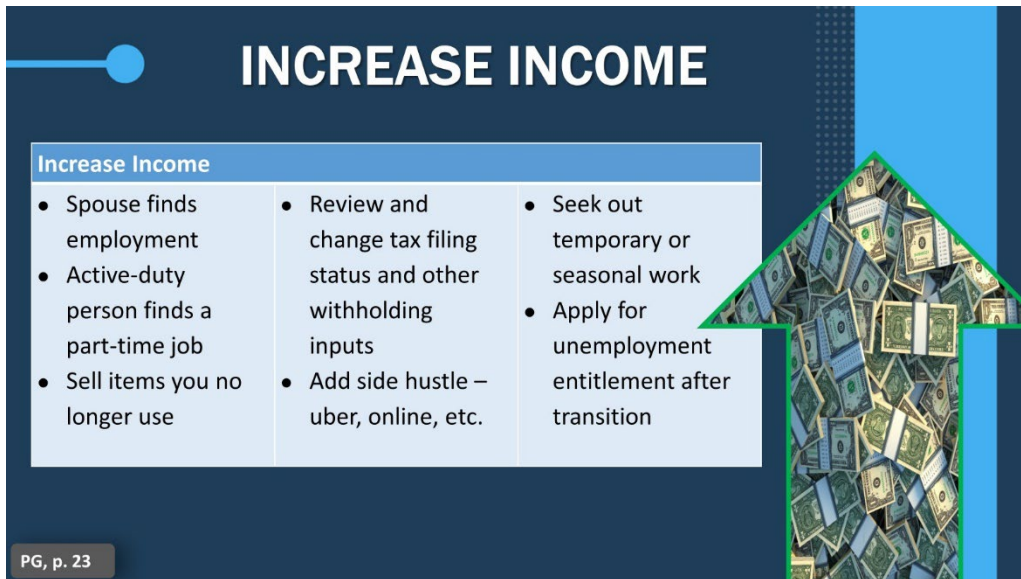
Scenario 2: Taxes After Retirement-- Go to <https://smartasset.com/retirement/retirement-taxes>

1. Use information from a participant or the scenario information in the Participant Guide to populate the calculator.
2. Divide the federal and state tax amounts by 12 to find the monthly tax liability.
3. Write the tax liability on the spending plan.

DoD Spending Plan Instructions: Add the taxes (Taxes and FICA) together, include the amount as DEDUCTIONS: MONTHLY TAXES under the PROJECTED tab.

DEBRIEF: Ask if anyone is surprised by the amount the taxes that would be deducted from a civilian paycheck?

Income



INCREASE INCOME

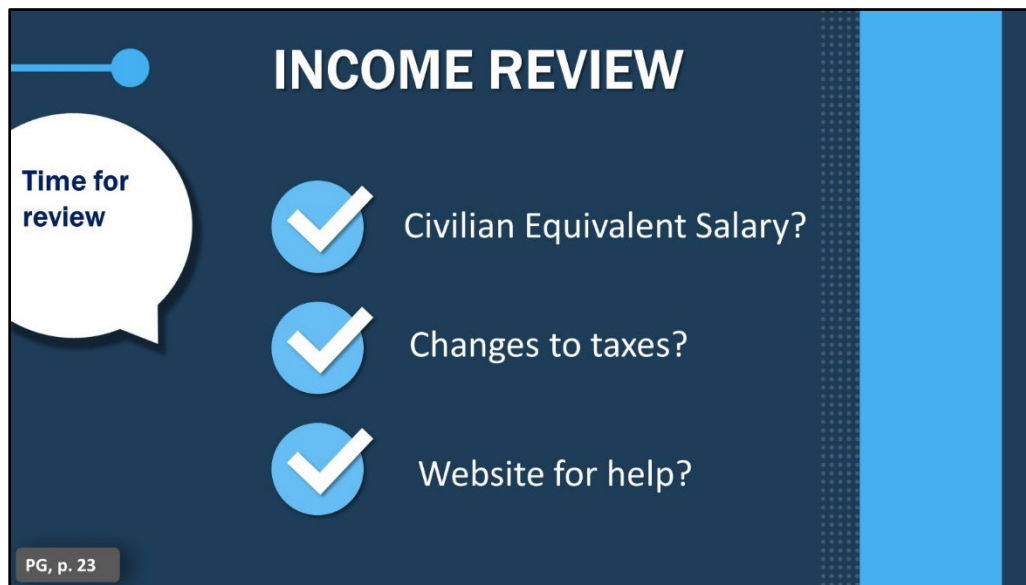
Increase Income		
<ul style="list-style-type: none">• Spouse finds employment• Active-duty person finds a part-time job• Sell items you no longer use	<ul style="list-style-type: none">• Review and change tax filing status and other withholding inputs• Add side hustle – uber, online, etc.	<ul style="list-style-type: none">• Seek out temporary or seasonal work• Apply for unemployment entitlement after transition

PG, p. 23

Facilitator Notes

- As you prepare for transition and enter post-transition, additional income may be necessary or welcome. Additional income could be used to:
 - Fill a gap between the last military paycheck and the first civilian paycheck
 - Grow an emergency savings prior to transition
 - Decrease debt
- Ask participants for additional ways they may use to increase income.

Income



Facilitator Notes

Review the income section by asking questions that are relevant for the audience. Below are a few suggestions:

- Why is the civilian salary equivalent higher than the military pay?
- What changes to your tax liability may occur? Federal? State? Changes to Local?
- What are a few websites you can use to find your civilian salary equivalent, taxes, or retirement pay?

EXPENSES

EXPENSES

LEARNING OBJECTIVES:

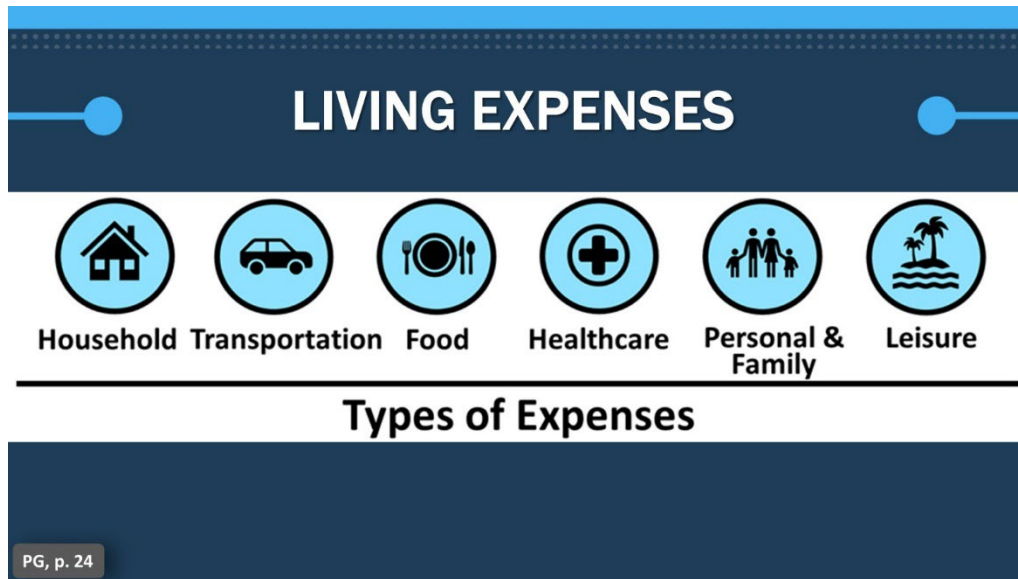
- Create or update a list of current expenses
- Compare cost of living at current and 2nd location
- Describe the basics of health insurance
- Specify the basics of life insurance

PG, p. 24

Facilitator
Guide

- Review Learning Objectives
 - The purpose of this section is to review the changes in expenses that may occur after transition such as housing, healthcare and insurance and how those changes may differ depending on location.
-

Expenses



ACTIVITY: Types of Expenses Discussion

INSTRUCTIONS FOR FACILITATOR:

1. Display the slide and lead a class discussion on the types of expenses associated with each category.
2. At the end of each category discussion, ask what changes may occur after transition. There may be new expenses or the cost of some items may increase after leaving the military.

NOTE: Responses to this question will vary depending on the demographics of the group. Those living in military housing will experience more change than those who already own a home.

Below are some possible answers for each category.

- **Household**—Rent/mortgage, cleaning supplies, repair/upgrade costs, lawn care, house/renter's insurance, utilities, furniture, Homeowner Association (HOA) fees
- **Transportation**—Car loan/lease, registration, insurance, gas, maintenance, sales tax, parking
- **Food**--Groceries, dining out, vending machine


- | | |
|--|---|
| | <ul style="list-style-type: none">• Healthcare—Doctor/urgent care visits, copays, prescriptions, contacts/eyeglasses, health insurance• Personal/Family—Clothes, haircuts, manicures, makeup/toiletries, purses, jewelry, gifts, pet insurance, life insurance, moving expenses, childcare• Leisure—Movies, dining out, travel, sporting events, and cultural activities |
|--|---|

Expenses

SPENDING PLAN UPDATE – ESTIMATE EXPENSES

- Rent or Mortgage payment
- Household
- Transportation
- Food (Groceries/Dining Out)
- Healthcare
- Personal and Family
- Leisure

PG, p. 25





ACTIVITY: Spending Plan Update-Expenses

INSTRUCTIONS: Have participants review/update their current list of expenses in their spending plan.

DOD Spending Plan: The top of the expenses tab provides a place for your income, current and projected. Under this is your rent or monthly mortgage payment. The list of expenses automatically calculates the total for each section along with the entire list of expenses. There are blank boxes within each group of expenses for participants to add additional expenses.


Expenses

TRACK SPENDING

- Record all expenses daily or weekly using receipts
- Use a paper/pen, spreadsheet, notebook,
- Use a free and secure app (be sure to protect personal information)
- Review past credit card or bank statements

Be sure to track ALL purchases!

PG, p. 25



Facilitator Guide

Why is it important to track spending?

- Income that is not slated for a bill or savings can be spent with little thought (e.g., budgeting \$175/month for dining out but spending \$500/month). Careless spending can quickly derail a spending plan.
- Ask how many go to Starbucks or purchase lunch daily. How much do they spend each day? Figure the amount for the pay period or month on a white board or chart paper, if possible.
 - \$1.50 soda x 5 days per week = \$30 per month
 - \$5 latte x 5 days per week = \$100 per month
 - \$10 lunch x 5 days per week = \$200 per month
- Remind participants that it is valuable to track spending prior to transition. If expenses need to be decreased after transition, knowing daily spending habits will make it easier to adjust spending.

Expenses

●

●

DECREASE EXPENSES


Ways to Decrease Expenses

- Down grade or eliminate the cable or streaming packages
- Bundle packages for cable, Internet, and cell phone
- Shop around for auto, home, and life insurance
- Use coupon/discounts for shopping, dining out, and recreational activities

- Review current cell phone plan to determine if any extras can be removed
- Use public transportation or carpool
- Shop at thrift stores
- Ask utility companies about a budget plan for consistent utility bills

- Ask for veteran and military discounts
- Find friends who can trade services (e.g., babysitting, pet sitting, etc.)
- Cook at home and pack your lunch, plan menus around foods on sale

PG, p. 26



ACTIVITY: Ways to Decrease Expenses

INSTRUCTIONS FOR FACILITATOR:

1. Ask participants if there are other ways to decrease expenses?

2. Which of these methods can you use to decrease expenses right now?

Expenses

COST OF RELOCATION

Can relocation impact your financial plan?

COST-OF-LIVING CHANGES

- Salary
- Housing
- Utilities
- Taxes
- Food
- Childcare
- Commuting costs
- Clothing
- Entertainment
- School costs
- Climate
- Health insurance

PG, p. 27



Facilitator Guide

Expense of Relocation

- Transition may include one last move at the expense of the military. Refer Service members to a relocation counselor or the office that provides relocation assistance for specific information on last military moves as this topic is not included in this course. If a relocation assistance briefing is available, provide the details of when/where the briefing will occur.
- Discuss how relocation can impact financial plans:
 - Salary may be vary depending on location
 - Relocation expenses (if military relocation allowance not available)
 - Inspection and registration/tags for cars
 - Change in cost of living

Changes to Cost-of-Living (COL)

- Invite participants to share their experiences with changes in COL. Ask participants the following questions:
 - How many have completed a PCS?
 - Was there a change to your cost-of-living?
 - Do you think the cost of living will affect your salary?

Expenses

COST-OF-LIVING CALCULATOR

Bank Rate COL Calculator:
<https://www.bankrate.com/calculators/savings/moving-cost-of-living>

QR Code

PG, p. 27

Scenario 1:

City you are moving from: Washington-Arlington-Alexandria, DC-VA
City you are moving to: Nashville-Franklin, TN
Your current income: \$72,649

Your results:
To maintain your current standard of living in Nashville-Franklin, TN, you need to earn: **\$48,843**
The cost of living is 32.77% lower in Nashville-Franklin, TN.

Scenario 2:

City you are moving from: San Antonio, TX
City you are moving to: San Diego, CA
Your current income: \$176,301

Your results:
To maintain your current standard of living in San Diego, CA, you need to earn: **\$275,169**
The cost of living is 56.08% higher in San Diego, CA.

Facilitator Notes

- COL calculators provide salary requirements and costs for housing, food, healthcare, childcare, etc. This will assist with understanding the salary needs based on their specific situation.
- Results may differ depending on which calculator is used. SM are encouraged to try several different calculators to get a clear picture of the COL in a new area when determining if the location fits their personal and financial needs after transition.
- Begin by using the slide to explain the results shown from the Bank Rate Cost-of-Living (COL) calculator for the two scenarios used during the course.
 - **Scenario 1:** The calculator shows a decrease in the salary requirement when moving from Washington, DC, to Nashville, NC.
 - **Scenario 2:** The calculator shows an increase in the salary requirement when moving from San Antonio, TX, to San Diego, CA.
- Demonstrate the calculator by asking a volunteer to provide the information required (current and post-transition locations and civilian salary equivalent). If no one volunteers, use the information from one of the scenarios that best fits demographics of the audience. Encourage participants to follow along during the web demonstration on their own computers using their information.



ACTIVITY: Review Cost-of Living Changes for a New Location

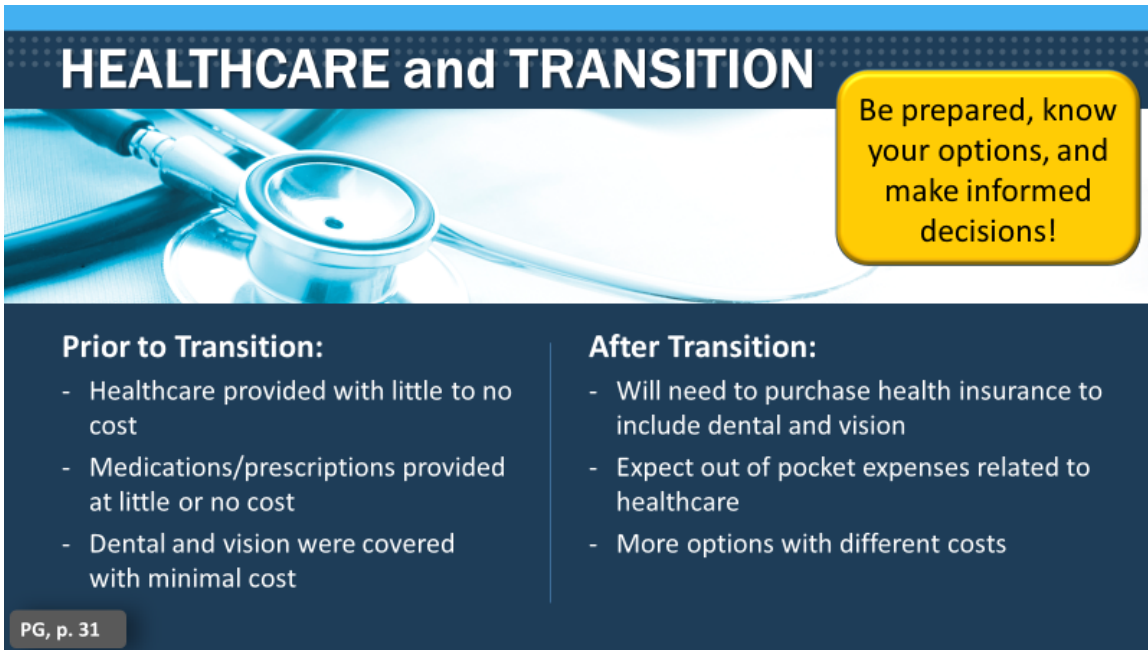
INSTRUCTIONS:

1. Use the [BankRate.com](https://www.bankrate.com) website or a different cost-of-living calculator to review the differences in salary requirements and cost of living for housing, insurance, utilities, etc.
2. Add the amounts to the spending plan.

DoD Spending Plan Instructions: On the Expenses tab, choose a few of the expenses to add to the projected column. Add the Salary requirement in the salary equivalent line under projected. Do not forget to include the new location in the space provided.

DEBRIEF: Ask participants if they looked at the average cost of housing for the new area. Is it higher, lower, or about equal to where they live currently?

Expenses



HEALTHCARE and TRANSITION

Be prepared, know your options, and make informed decisions!


Prior to Transition:	After Transition:
<ul style="list-style-type: none">- Healthcare provided with little to no cost- Medications/prescriptions provided at little or no cost- Dental and vision were covered with minimal cost	<ul style="list-style-type: none">- Will need to purchase health insurance to include dental and vision- Expect out of pocket expenses related to healthcare- More options with different costs

PG, p. 31

Facilitator Notes	<ul style="list-style-type: none">• Healthcare and health insurance are considered by many as two of the best benefits provided by the military.• Prior to Transition:<ul style="list-style-type: none">○ Healthcare and health insurance provided with little to no cost○ Very few options were available• After Transition:<ul style="list-style-type: none">○ Will need to purchase health/dental/vision insurance○ More income will go toward healthcare○ More options available with varying costs
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Expenses

HEALTH CARE CHOICES AFTER TRANSITION



Retiring from Active Duty

- *Tricare for Military Retirees*
 - Sign up for TRICARE
 - Pay the annual premium
 - Choose between Tricare Prime or Select
 - Ensure the nearest MTF is accepting retirees
 - Find vision and dental insurance; Tricare for Retirees does **NOT** include either

National Guard/Reserves:
Eligible for Reserve Select, Retired Reserves, CHCBP, TAMP

PG, p. 32

Facilitator Notes	<p>Health Care for Retiring Service Members:</p> <p>TRICARE</p> <ul style="list-style-type: none">• Strongly recommend that SMs sign up for TRICARE and pay the premium as soon as their orders are reflected in DEERS• Conduct research if planning to use a military treatment facility (MTF); not all MTFs accept retirees and families. <p>National Guard and Reserve have different eligibility requirements and may be eligible for TRICARE Reserve Select, Retired Reserves, CHCBP, and TAMP. Encourage these members to visit the TRICARE website for detailed eligibility information.</p>
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Expenses

Separating from Active Duty

- *Transitional Assistance Management Program (TAMP)*
 - Eligibility requirements must be met
 - 180 days, premium-free
- *Continued Health Care Benefit Program (CHCBP)*
 - Up to 18 months – can be used after TAMP expires
 - Quarterly premiums to be paid
 - Enrollees responsible for co-pay and deductible

National Guard/Reserves:
Eligible for Reserve Select, Retired Reserves, CHCBP, TAMP

PG, p. 31

Facilitator
Notes

Health Care for Separating Service Members:

- **Continued Health Care Benefit Program (CHCBP)**
 - Provides coverage for up to 18 months upon separation.
 - Quarterly premium, co-pay, and deductible associated with CHCBP. Must purchase within 60 days of loss of TRICARE eligibility.
- **Transition Assistance Management Program (TAMP)**
 - Most transitioning Service members are not eligible.
 - If eligible, TAMP offers the same coverage as TRICARE for 180 days after date of separation.

National Guard and **Reserve** have different eligibility requirements and may be eligible for TRICARE Reserve Select, Retired Reserves, CHCBP, and TAMP. Encourage these members to visit the TRICARE website for detailed eligibility information.

Expenses



CIVILIAN HEALTH INSURANCE OPTIONS

HEALTH INSURANCE

EMPLOYER or GROUP:

- Part of a group benefit plan
- Less expensive than individual
- Limited choices on coverage
- May have a monthly cost associated
- Cost deducted from paycheck

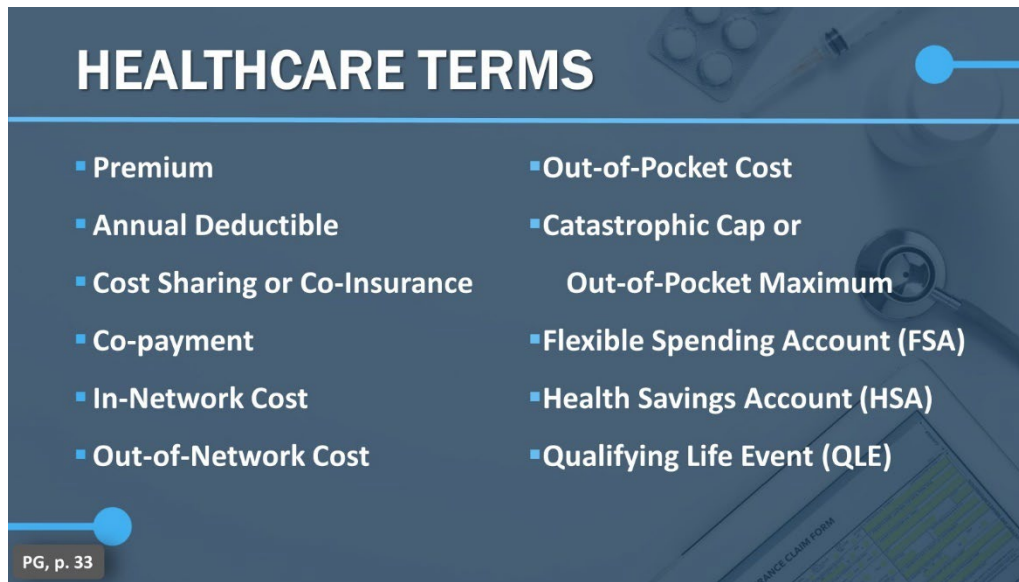
MARKETPLACE or INDIVIDUAL:

- Directly from insurance company
- May need to meet eligibility requirements (needs and income)
- May be more expensive, but more choices
- Possibility of being denied

PG, p. 33

Facilitator Notes	<p>For those not eligible for TRICARE plans and TAMP or who do not opt to use CHCBP, there are two other options:</p> <ul style="list-style-type: none">• Employer or Group: Receive insurance through your employer.<ul style="list-style-type: none">○ As part of a group benefits plan.○ Less expensive, but may have limited choices.○ May have a monthly cost associated that is deducted directly from your paycheck.• Marketplace: Purchase health insurance from the Marketplace website.<ul style="list-style-type: none">○ Health insurance purchased from the Marketplace is based on your needs and income level.○ Purchased directly from an insurance company.○ May need to meet the eligibility requirements to be allowed to purchase, such as not having access to an employer-provided or other health insurance.○ May be more expensive, but with more choices.○ Possibility of being denied.
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Expenses



Facilitator Guide

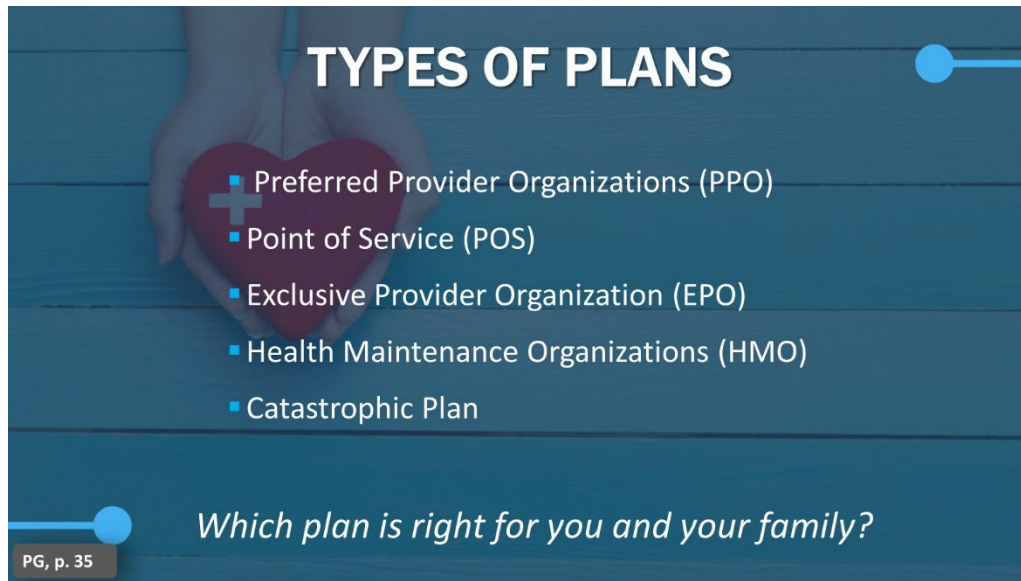
Ask participants if the terms on the slide are familiar to them. Are any unfamiliar? Discuss any terms that are unfamiliar to the group.

The full list of healthcare terms with definitions is in the PG.

- **Premium:** amount you pay for health insurance, can be paid per paycheck, monthly, quarterly, or annually.
- **Deductible:** amount you are responsible for paying before your insurance starts cost sharing (e.g., if you have a \$1500 deductible, you pay all costs up to the \$1,500).
- **Cost Sharing/Co-Insurance:** the percentage of medical costs that you are required to pay after reaching your minimum deductible (e.g., after reaching your deductible, a visit to the doctor is \$100 and your co-insurance is 20%, you owe \$20).
- **Co-Payment:** a flat fee service providers charge based on the health plan (e.g., a \$20-\$40 co-pay every time you visit your primary care physician).
- **In-Network Cost:** cost to see a doctor who is in your network and has an agreement with the insurance company.


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- | | |
|--|--|
| | <ul style="list-style-type: none">• Out-of-Network Cost: cost to see a doctor or receive services from a provider who is not in your healthcare plan; cost is usually greater and can be up to the full cost of the service.• Out-of-Pocket Cost: deductibles, co-payments, and co-insurance not covered by the insurance provider; does not include premiums.• Catastrophic Cap/Out of Pocket Maximum: most you will pay for covered services in one year; after this amount is reached, insurance covers 100%; does not include premiums.• Flexible Spending Account (FSA): special account paid into by policy holder which can be used to pay for certain out-of-pocket healthcare costs.• Health Savings Account (HSA): a pre-tax savings account for those with high deductible plans to pay for deductibles, copayments, coinsurance, and some other expenses.• Qualifying Life Event (QLE): a significant change in your life (e.g., marriage, birth of a child, or change in employment). A QLE may allow you to make enrollment changes outside of the annual open enrollment period. |
|--|--|
-

Expenses




Facilitator Guide	<ul style="list-style-type: none">• Ask participants if they are familiar with the plans listed. If not, share information provided below and in the PG.• Types of Plans<ul style="list-style-type: none">○ Preferred Provider Organizations (PPO): use providers in plan, outside of plan costs more.○ Point of Service (POS): Pay for use; pay less for providers that belong to the plan's network. Referral from your PC doctor required to see a specialist.○ Exclusive Provider Organization (EPO): A managed care plan, like an HMO, where services are covered only if you use doctors, specialists, or hospitals in the plan's network (except in an emergency).○ Health Maintenance Organization (HMO): Limited coverage to providers in plan; providers outside of plan generally not covered.○ Catastrophic Plan: only for those under 30; greater flexibility and lower premiums but extremely high deductible.
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Expenses




CONSIDERATIONS WHEN CHOOSING A PLAN

- Estimate yearly medical needs
- Compare plans and costs
- Consider a FSA
- Review prescription coverage



What do you and your family need in a healthcare plan?



PG, p. 36

Facilitator Guide

- Estimate yearly medical needs. How often do you see the doctor? Do you or your family have pre-existing conditions?
- Consider the plan and size up the cost: Compare the plans available and the total cost to include monthly payments*, deductibles, cost of hospitalization, prescriptions, etc. (*Note: Payments can sometimes be quarterly or yearly.)
- Consider a healthcare savings account: consider using an HSA or FSA to pay for out-of-pocket expenses.
- Check out the prescription coverage: not all plan includes prescriptions, be sure to check based on your prescription need
- Family coverage vs Individual coverage: some plans charge different premiums based per person, verse family coverage
- Using VA Healthcare: Veterans can use the VA, families cannot.
- Medicaid or other public health plans: Based on income you may be eligible for Medicaid or other public health plans.

Expenses

DENTAL and VISION INSURANCE



SEPARATEES:

- Provided through an employer
- Directly from insurance provider, such as:
 - VA Dental Insurance Program (if enrolled in VA healthcare)
 - Healthcare marketplace


RETIREES:

- TRICARE does NOT include dental and vision coverage
- Provided through an employer
- Directly from insurance provider, such as:
 - Federal Employees Dental and Vision Insurance Program (FEDVIP)
 - Healthcare marketplace



FEDVIP

PG, p. 37

Facilitator Guide	<ul style="list-style-type: none"> • VA may provide dental insurance to those who qualify. • SEPARATEES: <ul style="list-style-type: none"> ○ Provided through an employer ○ Directly from insurance company who provides dental/vision insurance • RETIREES: <ul style="list-style-type: none"> ○ TRICARE does NOT include dental/vision ○ Provided through an employer ○ Available through Federal Employees Dental and Vision Insurance Program (FEDVIP); additional information available on the Benefeds website
	<p>OPTIONAL ACTIVITY for RETIREE Class:</p> <ol style="list-style-type: none"> 1. Visit the FEDVIP site at https://www.benefeds.com/general/uniformed-services. 2. Watch the 3-minute video about FEDVIP program.

Expenses



COST of HEALTH INSURANCE

National Average Cost of Healthcare in 2022

- \$13,493 per person, annually
- Initial visit - \$100 – 200
 - Specialist - \$250

(National Health Expenditure Accounts Data, CMS.gov)

Healthcare costs can be estimated by using the Marketplace

(<https://www.healthcare.gov/see-plans/#/>)

- Provides the estimate of individual/Marketplace, not the cost through an employer

HealthCare.gov

[Español](#)[Log in](#)



See plans & prices

Get estimated prices on 2024 health plans before you apply

You can browse plans and estimated prices here any time.

PG, p. 38

Facilitator Guide	<ul style="list-style-type: none">• Purchasing healthcare is a major expense to be considered when transitioning.• The National Health Expenditure Accounts Data shown on the Center for Medicare/Medicaid Services website estimates the annual cost of health care at \$13,493, per person.• Researching plans on the Marketplace provides an estimate of plan costs if purchased individually. It does not provide the cost for employer-provided healthcare.• Cost varies greatly based on a variety of factors: location, coverage, number of individuals covered, etc.
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Financial Planning for Transition 2025 Page 57

Expenses

DISABILITY INSURANCE

Provides full or partial income should you become too sick or injured to work

May be a benefit provided by your employer or purchased from insurance company

PG, p. 38

Facilitator Notes	<ul style="list-style-type: none">○ Disability insurance is separate from health and life insurance.○ When injured, ill, or wounded while on active duty, you still receive a paycheck.○ In civilian sector, this is not always the case; you may be required to use sick and vacation leave. Once leave is exhausted, you may be placed on leave without pay and will not receive a paycheck.○ Disability insurance provides a partial income so you can pay your bills should you get too sick or injured to work.
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Expenses



<p>Facilitator Notes</p>	<p>Review Expenses – ask questions that are relevant for your class.</p> <p>Below are a few suggestions:</p> <ul style="list-style-type: none">○ Why would tracking your expenses for a period prior to transition benefit you?○ What significance will non-taxable entitlements have on civilian equivalent pay and taxes?○ Where will you be able to purchase or receive health insurance? What is one consideration before purchasing?○ Where can you purchase dental/vision insurance?
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DEBT & CREDIT

DEBT and CREDIT

LEARNING OBJECTIVES:

- Understand debt and credit
- Analyze the impact of credit score on your transition
- Identify ways to decrease debt prior to transition

PG, p. 40

Facilitator
Notes

- Review Learning Objectives
- The purpose of this section is to evaluate your current debt, analyze how your credit score may impact your transition, and identify ways to decrease debt prior to transition.

Debt & Credit




WHAT IS YOUR DEBT?

Debt: an amount that is owed to another individual or bank

Calculate your debt: determine to whom you own money and the minimum payment due each month, along with the interest rate

Facilitator Notes	<p>Ask for examples from the group of what items will generally be considered a debt. Below are suggestions:</p> <ul style="list-style-type: none">• Home mortgage• Loans• Credit cards• Debts to family/friends and aid organizations <p>Explain calculating debt:</p> <ul style="list-style-type: none">• Consists of determining to whom you owe money and the minimum payment due each month.
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Debt & Credit



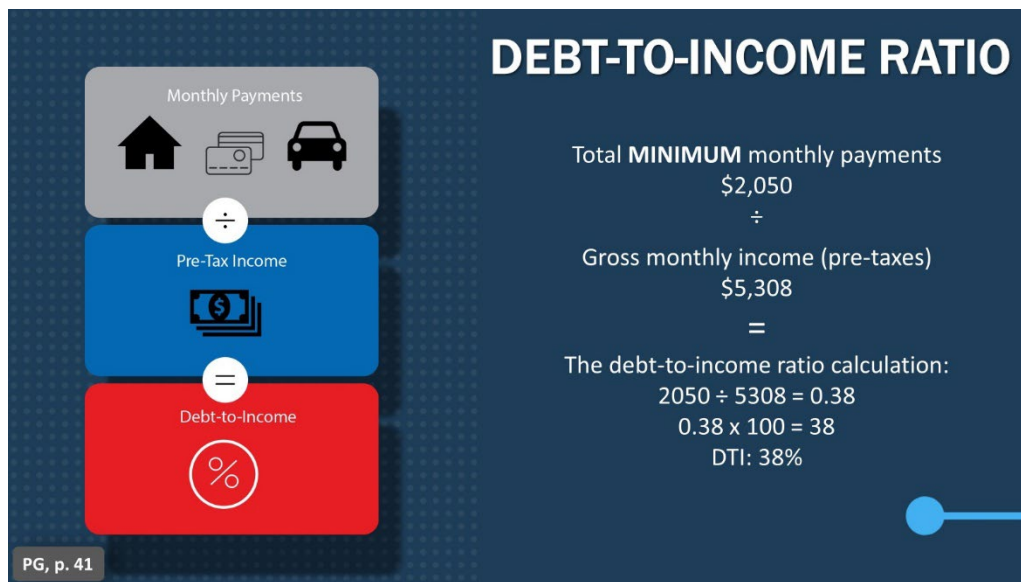
SPENDING PLAN UPDATE – DEBT

- Mortgage or Home Loan
- Car Loans
- Credit Cards
 - Bank, department stores, Military Star Card, etc.
- Loans
 - Personal, student, consolidated loans, etc.
- Advance payments
- Military organizations, family, friends

PG, p. 40

Facilitator Notes	<p>Spending Plan Update—Debt</p> <ul style="list-style-type: none">• Estimates can be used for this activity; participants are not expected to bring a list of bills/debts to the class.• Listing all debt in one place can be eye-opening.
	<p>ACTIVITY: Update Debt Section on the Spending Plan</p> <p>INSTRUCTIONS: Direct the participants to complete the Debt section of the spending plan by adding mortgage, car loan, credit card, student loan, and any other loan payments.</p> <p>DEBRIEF: Ask is it important to know your current level of debt?</p> <p>Answers may vary, but the focus should be on understanding how their level of debt and payment obligations may affect transition.</p>

Debt & Credit



Facilitator Notes

- During transition, it is good to know the amount of debt you have in relation to your income. This is known as your debt-to-income ratio (DTI).
- Use the example on the slide to show participants how to calculate their DTI.
- DTI is a snapshot of the current financial situation and can easily change.
- Lenders calculate DTI before deciding to loan any money and include rent or mortgage payments as debt.
- DTI under 35% is considered favorable and 36%-49% is adequate. Service members with a DTI close to or above 49% should be encouraged to schedule a meeting with a financial counselor prior to transitioning.

Debt & Credit

DECREASE DEBT

Decrease Debt:

▪ Pay more than the minimum payment.

▪ Pay down debt using a power pay plan.

▪ Refinance debt.

▪ Use any raise or windfall to pay down a debt.

▪ Enroll in a non-profit debt management program.


▪ Negotiate to settle for less than what you owe.

▪ Seek assistance from your installation or TAP financial counselor.

PG, p. 41




Facilitator Notes	Explain each of the options listed on the slide to reduce debt.
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Debt & Credit



ACTIVITY– Access Credit Report

Reviewing your credit report during this section will provide you with a better understanding of the content.




1. Choose one of the three credit bureaus.
2. Follow the prompts (if you are asked for a credit card you are on the wrong site).
3. Access your Credit Report.

PG, p. 44


DO NOT SHARE YOUR REPORT!!!

AnnualCreditReport.com



Each Credit Bureau provides a free report each week. You may be required to create an account.

TransUnion: TransUnion.com
Experian: Experian.com
Equifax: Equifax.com

Facilitator Notes	<ul style="list-style-type: none">• The most important document related to credit is your credit report.• You can download a FREE report each week from each of the three credit bureaus—Equifax, Experian, and TransUnion. Each report is slightly different and should be checked for accuracy.• It is easiest to understand the concepts of credit if the SMs have their own credit report to view.
	<p>ACTIVITY: Access Credit Report</p> <p>INSTRUCTIONS:</p> <ol style="list-style-type: none">1. Use the QR code on the screen to access AnnualCreditReport.com.2. Follow the directions to download your credit report.3. If the QR code does not work, use one of the three agency sites and create a free account.

Debt & Credit

REVIEWING YOUR CREDIT REPORT

- 01 Review Personal Information
- 02 All open accounts are yours
- 03 Inquires from credit you applied for
- 04 Account history listed for your accounts
- 05 Negative information
- 06 All debts discharged in bankruptcy are listed that way

What to check

AnnualCreditReport.com
The only source for your free credit reports. Authorized by federal law.

Home All about credit reports Request yours now! What to look for Protect your identity Frequently asked questions Contact us

You've found your dream house. Are your credit reports ready?

People with good credit should check their credit reports too. Regular checks ensure the information stays accurate. Your good credit will be ready when you need it.

Learn what to look for

PLAY SPOT IDENTITY THEFT GOOD CREDIT DON'T BE FOOLED MORE THAN A SCORE NOT LIKE THE OTHERS

PG, p. 45

Facilitator Guide

- Instruct participants to review the following information on their credit reports:
 - All personal information
 - All open accounts
 - Inquiries for credit you applied for
 - Account history listed for your accounts
 - Negative information
 - Bankruptcy information
- It is the owner's responsibility to review information on the credit report and to request corrections.
- Correct errors before transition so if needed, legal assistance is easily accessible and free of charge.

Debt & Credit

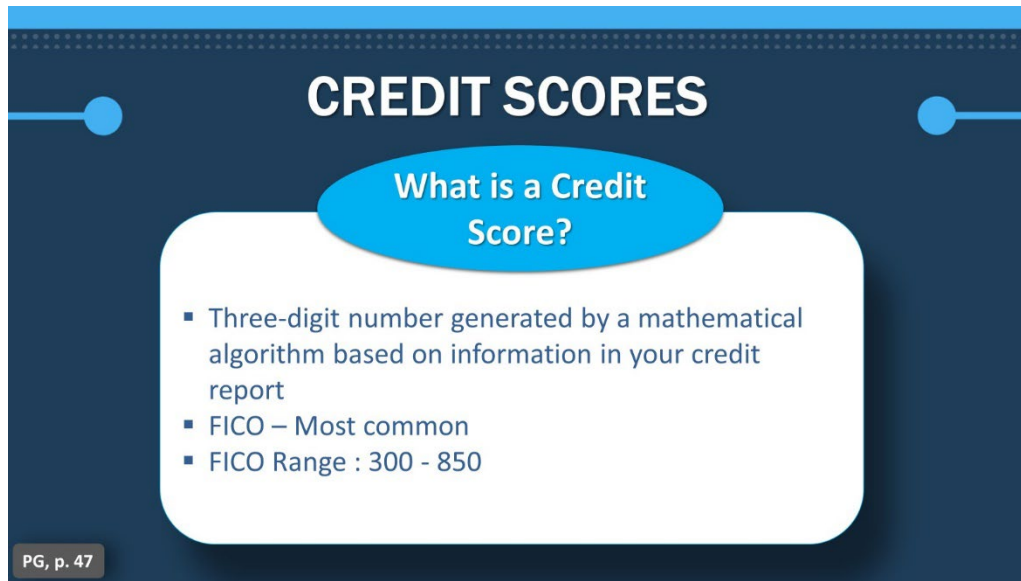
CORRECTING A REPORT

- 1 Use online credit report dispute process provided by each of the credit agencies:
 - TransUnion
 - Experian
 - Equifax
- 2 Visit your installation PFM to assist and discover the best option.
- 3 Consumer Financial Protection Bureau (CFPB) can also assist in resolving errors:
www.consumerfinance.gov

PG, p. 46

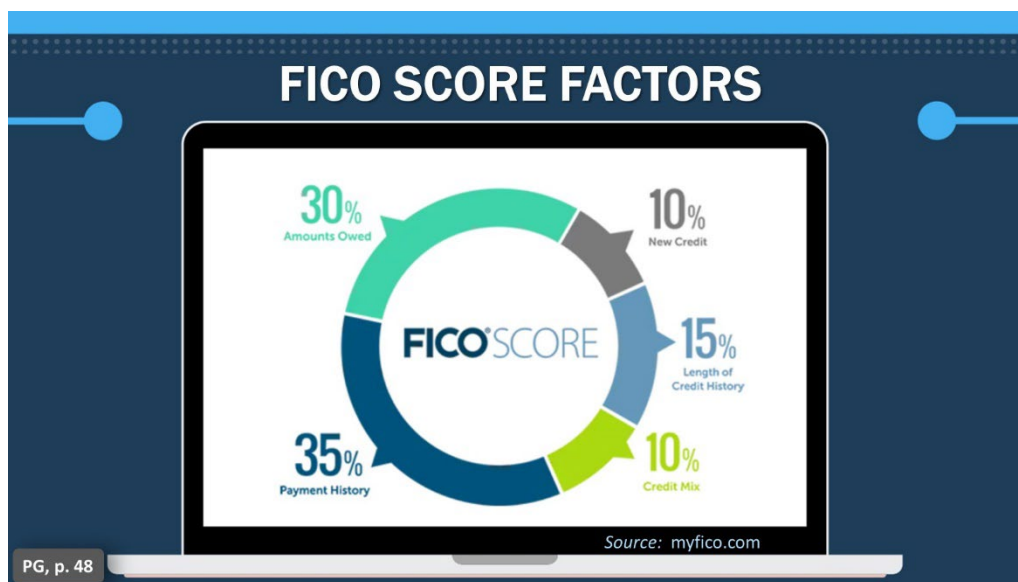
Facilitator Notes	<ul style="list-style-type: none">• If an item is changed or deleted, the credit reporting company cannot put the disputed information back in your file unless the information provider verifies that it is accurate and complete.• The credit reporting company must send you a written notice that includes the name, address, and phone number of the information provider.• The best practice for disputing an item is to contact both the credit reporting agency and the creditor that provided the information.• For more complicated issues, such as inaccuracies, use the FTC and/or CFPB.
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Debt & Credit



Facilitator Notes	<ul style="list-style-type: none">• Explain each of the following terms:<ul style="list-style-type: none">○ Credit scoring company○ Credit bureau○ Credit reporting agency• Two main models for calculating credit scores—FICO and Vantage.• Both credit scores range from 300 to 850; the national average for a FICO score is 717; Vantage – 701 (as of January 2024).• FICO and Vantage are similar in how they score. This course focuses on FICO as 90% of the market uses the FICO model.• The number generated is easily accessible from multiple sources; however, each source may calculate the score slightly different. This slight difference in calculations can result in variance between scores.• A higher credit score results in better credit terms such as a lower APR.• A credit score under 620 makes it difficult to qualify for new lines of credit.
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Debt & Credit



Facilitator Notes

- Fair, Isaac and Corporation (FICO) is the largest credit scoring company—most creditors and credit bureaus use either FICO or have a similar system.
- The following factors are used to compute the FICO credit score:
 - **Payment history** (about 35% of the score)
 - Previous credit accounts paid on time.
 - **Amounts owed on credit accounts** (about 30% of the score)
 - Amount of credit used and how much debt is owed.
 - **Length of credit history** (about 15% of the score)
 - How long your credit accounts have been established?
 - How long it has been since you used certain accounts?
 - **New credit** (about 10% of the score)
 - Number of new accounts that have been recently opened and/or number of new requests for credit.
 - It is best to shop around for the lowest credit rate. Credit companies allow multiple credit checks for the same type of credit (home loan or car loan) to be counted as a single inquiry within a certain period of time—generally a 15-to-45-day period.
 - **Credit Mix** (about 10% of the score)
 - FICO scores will consider the mix of credit cards, retail accounts, installment loans, finance company accounts, and mortgage loans.

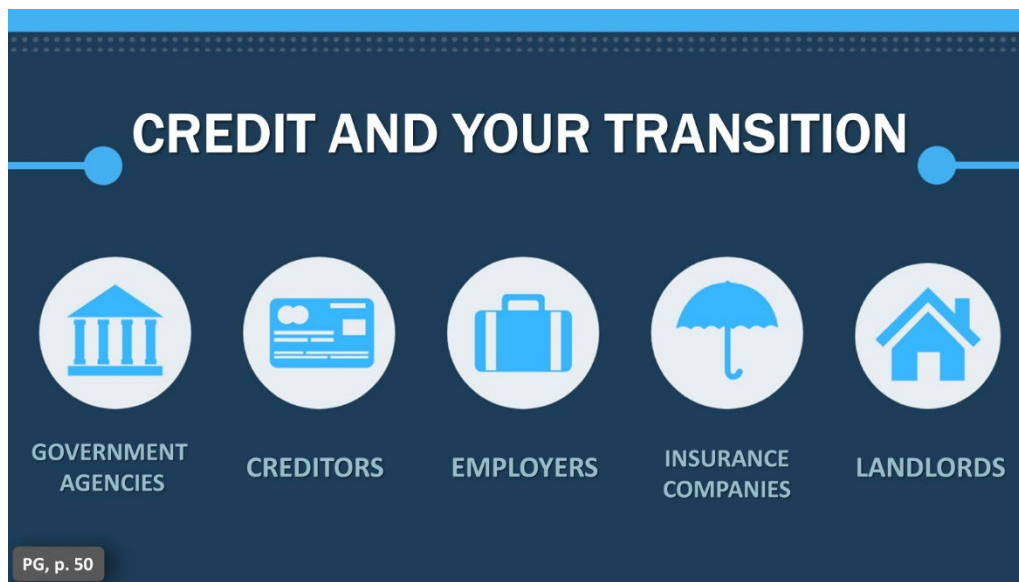
Debt & Credit



Facilitator Notes

- Ways to improve your credit score:
 - Pay your bills on time
 - Maintain low balances
 - Only apply for credit you need
- It may be difficult to remember to pay bills during transition. What are some strategies you can use to pay bills on time?
 - Create a spreadsheet before transition to track all bills and payments.
 - Request online bill statements.
 - Set up auto pay for bills through the biller's website or your bank.
 - Set up an email account to use specifically for bills so reminders are not overlooked.
 - Forward your mail to a family member who you trust to pay bills for you.

Debt & Credit



Facilitator
Notes

Why should you care?

- Credit scores influence hiring, housing rental, home loans, insurance, security clearances, and applying for government assistance.
- Higher score = favorable ability to be hired, to be approved to rent, to be granted a loan, or to be insured.

Who can view the credit score and why?

- Employers:
 - To evaluate for hiring, promotions, and other employment purposes.
- Creditors:
 - When you are apply for a home loan or credit.
- Government agencies:
 - When applying for assistance (e.g., unemployment).
 - When trying to obtain a security clearance.
- Insurance companies:
 - Applying for health, life, and auto insurance to determine ability to pay a premium.
- Landlords:
 - Determining history of making payments on time.

NOTE: Encourage SM to check their credit reports and scores prior to transition to ensure accuracy.

Debt & Credit

CREDIT REPAIR/DEBT RELIEF



CREDIT REPAIR



DEBT RELIEF

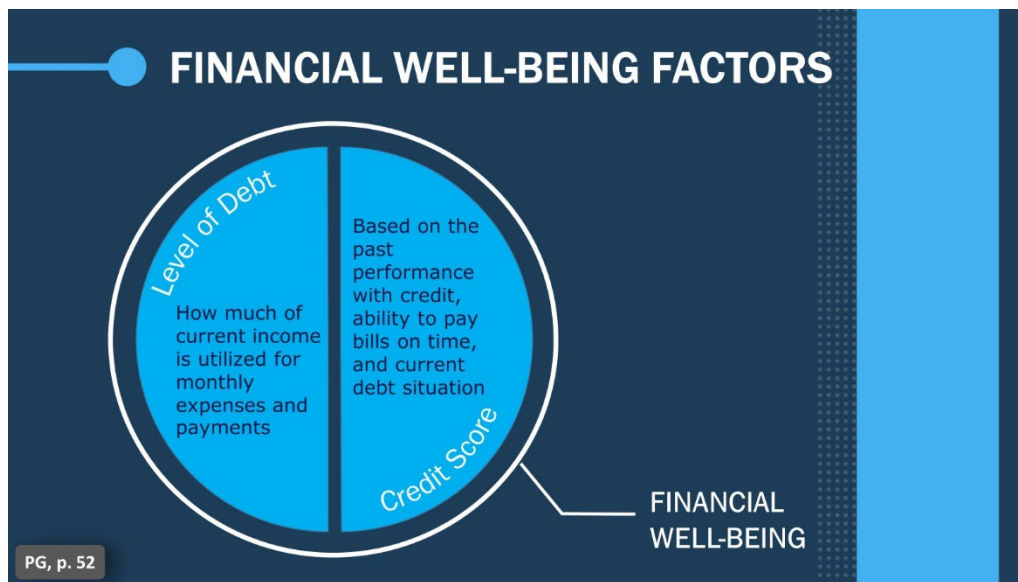
PG, p. 51

Exercise great caution if using credit repair agency or debt relief companies

Facilitator Notes

- Encourage SM to **exercise caution** or **even avoid** using Credit Repair Agencies and Debt Relief Companies.
- Both groups require the user to provide PII to pull a credit report which makes the user vulnerable to identity theft.
- Credit repair agencies promise to fix credit for a fee and usually cannot deliver.
- Debt relief involves the company negotiating with creditors to “settle” the debt—generally by paying a lump sum that is less than what is owed.
 - May affect a security clearance
 - Works to the benefit of the creditor, not the SM.
- Debt counseling or creating debt management plan may be better options.

Debt & Credit



Facilitator Notes

- Level of debt reflects how much of the current income is used for monthly expenses and payments.
- Credit score is based on past performance with credit, ability to pay bills on time, and current debt situation.
- Financial well-being is both numbers considered together; neither number alone accurately reflects the current financial situation.
- Give the SM time to review their level of debt and credit score if they have easy access to it. Remind them to seek assistance from a transition or financial counselor if they feel either number should or could be better.

Debt & Credit

Time for review

DEBT & CREDIT REVIEW

✓

Reduce debt?

✓

Access credit report? Why?

✓

Improve credit score?

PG, p. 52

Facilitator Notes	<p>Review the debt and credit section by asking questions that are relevant for the audience.</p> <p>Below are a few suggestions:</p> <ul style="list-style-type: none">• What are 2 ways to reduce debt?• How do you access your credit report? Why is this important?• How can you improve your credit score?
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ASSETS

ASSETS

LEARNING OBJECTIVES:

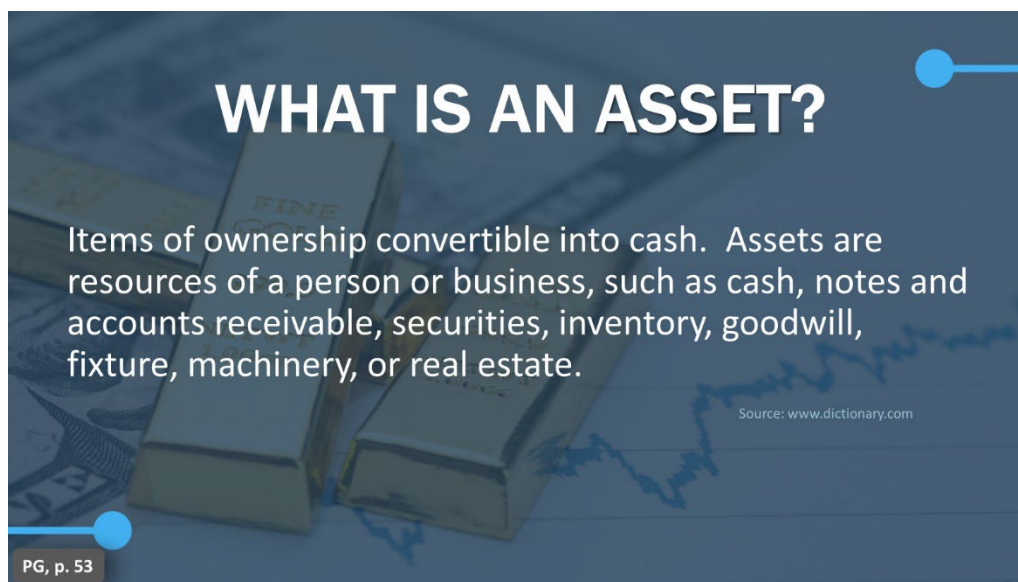
- Define assets and calculate value of personal assets
- Calculate net worth as it pertains to assets and evaluate current financial situation
- Illustrate the difference between a defined benefit plan and a defined contribution plan
- Analyze options available for TSP when transitioning
- Recognize the reasons a savings account is essential during transition

PG, p. 53

Facilitator
Notes

Review Learning Objectives listed on the slide.

Assets



Facilitator Notes

- Define an asset
 - Describe the five types of assets discussed in this courses
 - Personal Property
 - Savings
 - Investments
 - Retirement plans
 - Life Insurance
 - Ask participants to provide examples for each type of asset
-

Assets

PERSONAL PROPERTY

- Home
- Car
- Jewelry
- Electronics
- Collectibles



PG, p. 53



- **Savings** = 2 weeks of expenses or \$1,000
- **Emergency Savings** = 3-6 months of financial obligations
- **Goal Savings** = funds for a specific goal or item

SAVINGS

Facilitator Notes

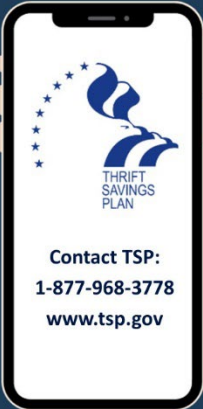
- Personal Property
 - Anything that can be sold
 - Home, car, jewelry, electronics, collectibles, etc.
- Savings
 - Stress the importance of savings and provide examples of why building savings are important prior to transition (e.g., not having job, gap in paychecks, lower salary than expected).
 - Types of savings and reasons to have each:
 - Savings—equivalent to two-weeks of expenses or \$1,000, whichever is greater
 - Emergency Savings—minimum three-to-six months of expenses of financial obligations (rent/mortgage, living expenses, debt payments)
 - Goal savings—funds for a specific goal or item you want to purchase (retirement, car, vacation, home)

Assets

THRIFT SAVINGS PLAN (TSP) OPTIONS

- **Stay:** if you have at least \$200 in your TSP account, you can continue to participate but not contribute.
- **Rollover:** you can transfer your funds from the TSP to an IRA, Federal Civilian TSP, or another eligible employer retirement plan.
- **Distribution:** withdraw your funds as cash from TSP; may incur withdrawal or distribution penalties and taxes.

Some funds may include tax-exempt contributions.



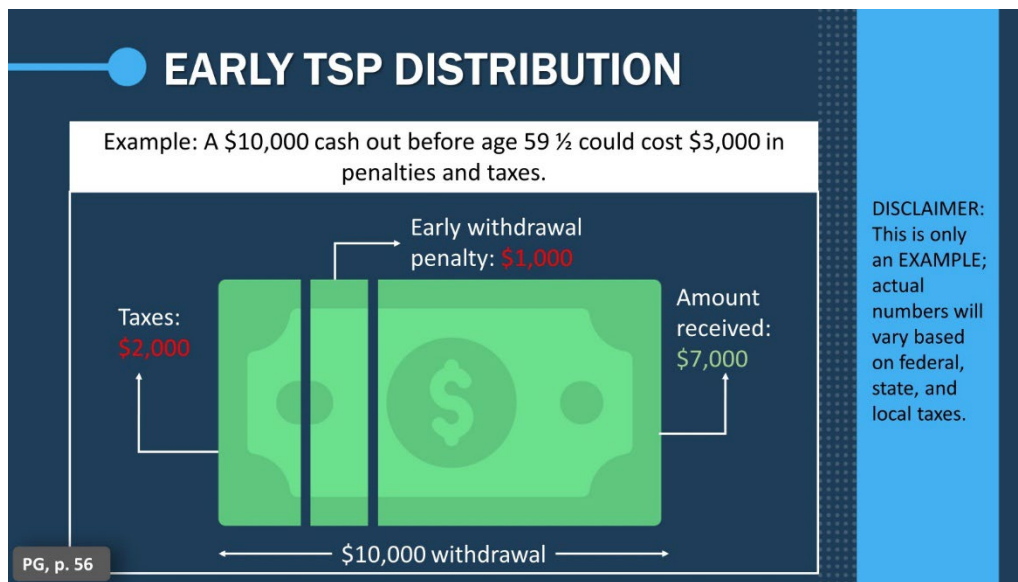
PG, p. 54

Facilitator Notes

When you retire or separate from the military, you have multiple options for your TSP account.

- **Stay:** if you have at least \$200 in your TSP account, you can continue to participate in the TSP by leaving your current money in TSP.
- **Roll over:** you can transfer your funds from the TSP to an IRA or another eligible employer retirement plan.
- **Distribution:** you can withdraw your funds as cash from the TSP and not rollover into another similar account, but withdrawal or distribution could trigger negative tax consequences.

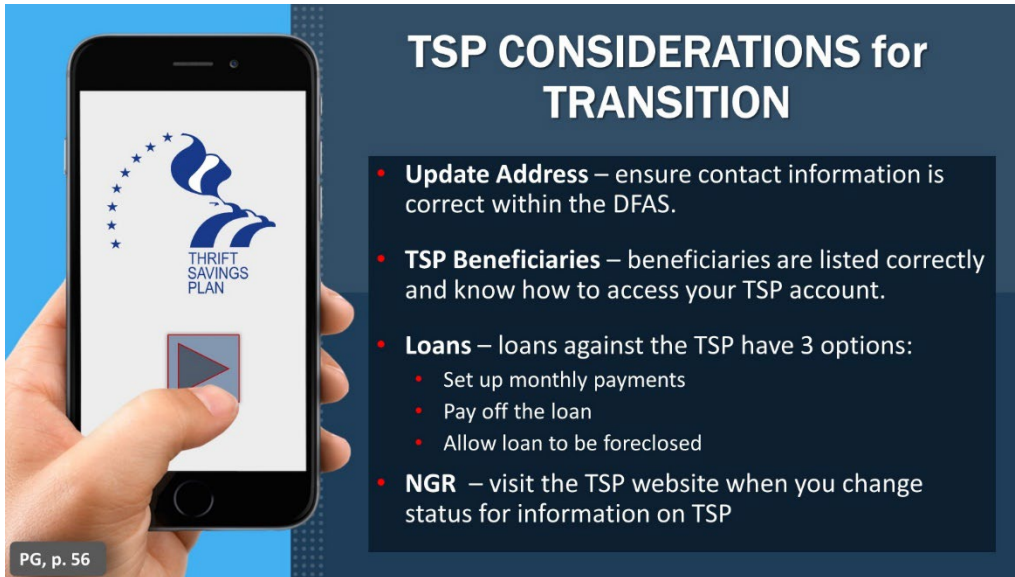
Assets



Facilitator Notes

- Use the graphic on the slide to explain the negative consequences of withdrawing funds from the TSP early.
- The early withdrawal of funds from the TSP could result in over 30% of the total amount being used to pay early distribution penalties such as federal taxes, fees, and penalties.

Assets



TSP CONSIDERATIONS for TRANSITION

- **Update Address** – ensure contact information is correct within the DFAS.
- **TSP Beneficiaries** – beneficiaries are listed correctly and know how to access your TSP account.
- **Loans** – loans against the TSP have 3 options:
 - Set up monthly payments
 - Pay off the loan
 - Allow loan to be foreclosed
- **NGR** – visit the TSP website when you change status for information on TSP

PG, p. 56

Facilitator Notes

- Update address--confirm contact information is correct within the DFAS. TSP uses this information to contact Veterans.
- TSP Beneficiaries—confirm your TSP beneficiaries are listed correctly and are aware of the TSP death benefits, account number, and how to access the account.
- TSP Loans—3 Options:
 - Keep the loan active by setting up monthly payments by check, money order, or recurring direct debits.
 - Pay off the loan by the required deadline.
 - Allow the loan to be foreclosed and accept any taxable portion of the outstanding balance and accrued interest as taxable income.
- NGR Members—visit the TSP website when status changes for additional information on TSP.

RETIREMENT PLANS

DEFINED- BENEFIT PLAN

Traditional company pension plan – ultimate retirement benefit is definite and determinable as a dollar amount.



DEFINED- CONTRIBUTION PLAN:

The contribution is defined - yet the ultimate benefit to be paid is not.

For example:

- 401(k) and 403(b) plans
- TSP
- Simple IRA, Roth IRA
- SEP
- Employee Stock Ownership (ESOP)

PG, p. 57

Facilitator Notes	<ul style="list-style-type: none"> • Basics of retirement plans <ul style="list-style-type: none"> ○ Some employers offer a retirement plan, many provide tax advantages, some employers match. ○ Two basic types of plans; defined benefit and defined contributions. • Defined-Benefit Plan <ul style="list-style-type: none"> ○ Traditional company pension plan. ○ Explain that this type of plan is now rare. • Characteristics of a Defined-Benefit Plan <ul style="list-style-type: none"> ○ Funded mostly by the employer. ○ Employer assumes all responsibility for the payment of the benefit and all the risk on funds invested to pay out that benefit. • Defined-Contribution Plan <ul style="list-style-type: none"> ○ Contribution is defined but the ultimate benefit to be paid is not. • Characteristics of a Defined-Contribution Plan: <ul style="list-style-type: none"> ○ Contributions made by the employee and employer remain property of the employee (after vesting) ○ Each participant has an individual account ○ Benefit at retirement depends on the amount contributed, the funds selected, the investment performance ○ Investment risk rests solely with the employee
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Assets

HIGH-3 MILITARY RETIREMENT PLAN



Eligibility:
Entered Service before January 1, 2018

Defined Benefit:

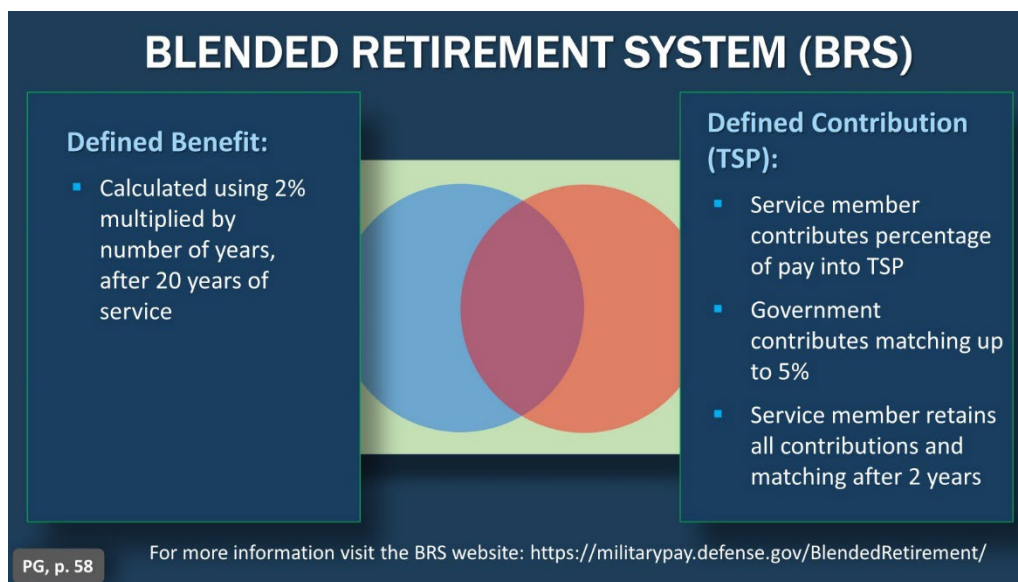
- Calculated using 2.5% multiplied by number of years multiplied by highest 36 months of basic pay
- Available only after 20 years of service
- Service member may have TSP, but with **NO** matching

PG, p. 58

For more information visit the Military Pay website: <https://militarypay.defense.gov/>

Facilitator Notes	<ul style="list-style-type: none">• Serve 20 or more years to qualify for a lifetime monthly payment.• Available for those with an initial entry date before January 1, 2018.<ul style="list-style-type: none">○ Defined-benefit plan – calculated at 2.5% times years of services times the highest 36 months of basic pay.○ TSP account is available for Service member contribution, but with no government matching contribution.
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Assets




Facilitator Notes	<ul style="list-style-type: none"> Provide simple explanation of BRS - combined defined benefit and defined contribution plan; with 2% times the year of service (after 20 years) for the defined-benefit and a contribution to the TSP with federal matching up to 5%. Requires 2 years before vesting. Government automatically matches 1%; SM may opt to increase the contribution amount, but the government will only match up to 5% of total pay.
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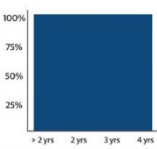
EMPLOYER RETIREMENT PLANS

Examples :

- 401(k), 403(b), IRA
- Employee Stock Ownership
- TSP

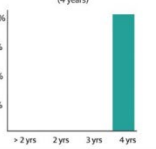
 **Waiting/Vesting Examples**

Immediate Vesting



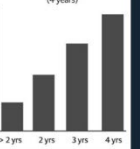
Duration	Vesting %
> 2 yrs	100%
2 yrs	100%
3 yrs	100%
4 yrs	100%

Cliff Vesting (4 years)



Duration	Vesting %
> 2 yrs	0%
2 yrs	0%
3 yrs	100%
4 yrs	100%

Graded Vesting (4 years)



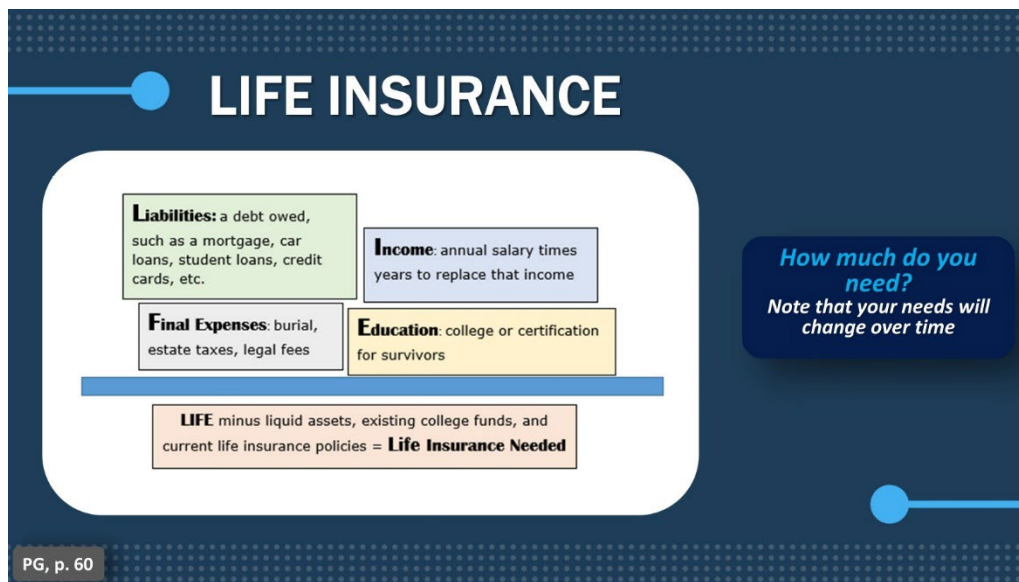
Duration	Vesting %
> 2 yrs	25%
2 yrs	50%
3 yrs	75%
4 yrs	100%

PG, p. 59

Facilitator
Notes

- Employer retirement plans take many forms and include those listed on the slide.
- Intent is for employee to be responsible for funding their own retirement.
- Many companies have a vesting period before funds are fully owned by the employee.
- Types of vesting:
 - **Immediate Vesting:** Employees retain all funds they AND the employer have invested in the retirement plan immediately upon beginning employment.
 - **Cliff Vesting:** Employee is fully vested after a certain period of time.
 - **Graded Vesting:** The percentage/amount retained by employee increases with each year with the company until fully vested.

Assets



Facilitator Notes

- Purpose of life insurance is to replace the loss of income and pay debts, funeral expenses, education costs, etc.
- Amount needed depends on your current life situation.
- Online calculators can help determine your insurance needs.
- Explain how to calculate life insurance requirements. Begin by having participants add together the amounts for each of the LIFE categories:
 - **Liabilities:** debt you would like to pay off
 - **Income:** Amount of income to be replaced
 - **Funeral Expenses:** amount to set aside for final expenses
 - **Education:** Amount necessary to fund education or other goals
- Subtract the following amounts from the total amount calculated above:
 - Liquid assets
 - Existing college funds
 - Current life insurance policies (excluding SGLI)
- The difference is the recommended amount of life insurance.

LIFE INSURANCE PLANS and OPTIONS


Options:

- Veteran's Group Life Insurance (VGLI)
- Employer Life Insurance
- Commercial Life Insurance

Plans

- Term Life Insurance
- Permanent (Whole, Variable, Universal)

PG, p. 60

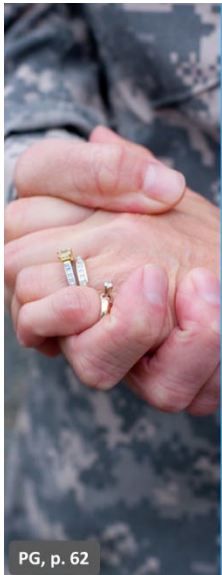


Facilitator
Notes

- The following options are available for life insurance after transition:
 - SGLI may be converted to **VGLI** for 1 year, plus 120 days from the date of separation. Rates are determined using a sliding scale based on age.
 - **Employer Life Insurance** may be offered as a benefit or may be purchased from the employer with premiums deducted from your paycheck.
 - Many banks and companies offer **Commercial Life Insurance**, but a health exam or extensive health history may be required. Once contacted, agents may be aggressive with their sales tactics.
- The following types of coverage are available from insurance agencies and employers:
 - **Term Life Insurance**
 - Provides coverage at a fixed rate of payments for a limited term
 - Renewing the policy may result in a higher premium
 - Least expensive way to purchase substantial death benefits.
 - **Permanent Insurance:**
 - Provides coverage until death
 - Includes a savings option
 - Less expensive the younger you are when you purchase it
 - Usually more expensive than term life insurance
 - Generally is set to mature around age 100
 - Four types of Permanent Life Insurance:

	(1) Whole Life (2) Variable Life (3) Universal Life (4) Variable Universal.
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Assets



SURVIVOR BENEFIT PLAN (SBP)

The SBP can financially protect the beneficiary in the event of the death of the retiree.

- Eligible beneficiary will receive a monthly annuity for their lifetime.
- Election or decline in the SBP is made prior to retirement on the DD2686.
- Enrolled retirees pay SBP premiums via deductions from their pre-tax retirement compensation.

For more information visit your installation PFM or:
<https://www.dfas.mil/retiredmilitary/provide/sbp.html>


PG, p. 62

Facilitator Note

SKIP IF THERE ARE NO RETIREES IN THE CLASS

- This topic may generate questions. Provide an overview of the topic to provide basic information. Due to the sensitive and personal nature of the topic, encourage participants to do their own research and visit with a PFM.
- Explain Survivor Benefit Plan (SBP)
 - Elected benefit which guarantees dependents of military retirees monthly payments for the lifetime of the beneficiary
 - Available only by election and generally at time of retirement
 - Declining requires the consent of the spouse
 - Others eligible for the benefits: children, former spouse, natural interest person
 - Cancellation is possible beginning at the 25th month through the 36th month, with spouse consent
- If your installation provides a class specifically on SBP, provide the details of when the next class will be held.

Assets



PG, p. 62

SURVIVOR BENEFIT PLAN (SBP)

- ADD INFORMATION ON THE NEXT SBP CLASS BEING OFFERED ON YOUR INSTALLATION.
- IF THIS SLIDE IS NOT USED, **DELETE or HIDE** THE SLIDE.

Facilitator Note	<p>SKIP IF THERE ARE NO RETIREES IN THE CLASS</p> <p>If your installation provides a class specifically on SBP, use this slide to provide the details for the next class.</p> <p>If the slide is not used, DELETE or HIDE the slide.</p>
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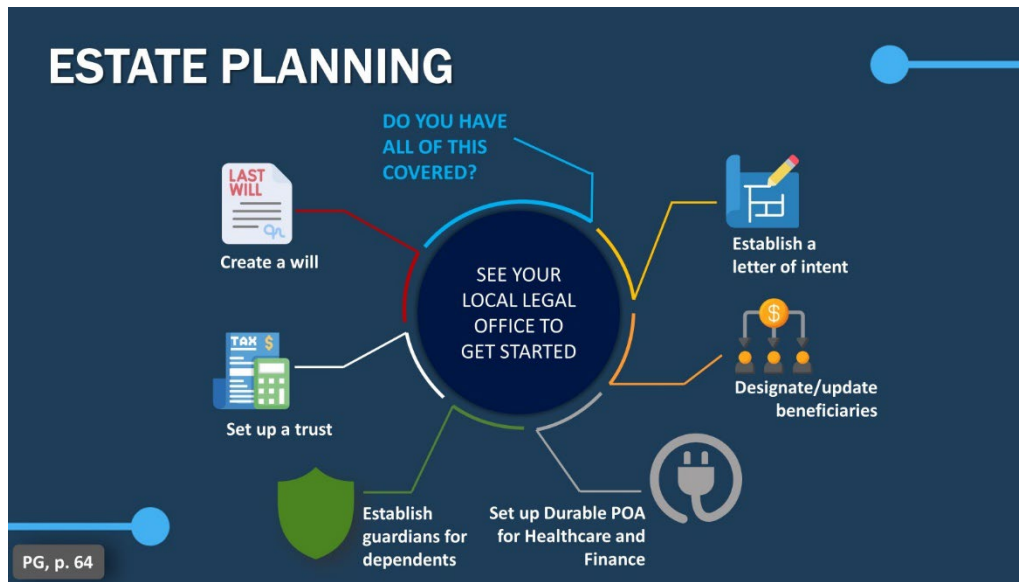
Assets



Facilitator Notes

- Define Net Worth
- Explain what a positive or negative net worth means, that it is a trend; ideally, it will continue to grow as you age.
- Explain how to improve net worth.

Assets



Facilitator Notes

- Emphasize visiting JAG to get a will updated/completed for **free**.
- No matter the size of your estate, it is important to have a plan.
- Estate planning is more than just a will; without basic estate planning documents, your wishes will not be known in the event of your death or if you become incapacitated.
- Common Estate Planning Documents
 - **Will:** ensures all property is distributed according to your wishes
 - **Trust:** entity created to hold and manage assets.
 - **Beneficiary Designations:** individual who will receive certain items upon your death; usually required for 401(k), TSP, and life insurance; also includes a contingent beneficiary should the initial beneficiary precede you in death.
 - **Durable Power of Attorney for Healthcare and Finance (POA):** individual you assign to act on your behalf when you cannot do so prior to your death; ends upon death.
 - **Healthcare Directive:** provides medical personnel with information on the medical care you receive at the end of life.
 - **Guardianship Designations:** names the legal guardian(s) for any children under the age of 18.
 - **Letter of Intent:** non-legal document that includes funeral details, account information, and passwords for online access to accounts.

Assets



Facilitator Notes

Review Assets – ask questions that are relevant to your class.

For example:

- What are assets? What are liabilities?
- What is the difference between the defined-contribution and defined-benefit retirement plan?
- Why should you have a plan for your estate?
- What is the acronym for estimating the amount of Life insurance needed?

FINANCIAL PLANNING for YOUR TRANSITION



FINANCIAL PLANNING for YOUR TRANSITION

LEARNING OBJECTIVES:

- Create a plan containing next steps in the financial journey to prepare for transition
- Identify reliable financial resources after transition
- Identify possible scams

Diagram: A circular diagram with four colored segments: INCOME (orange), ASSETS (green), DEBT & CREDIT (yellow), and EXPENSES (blue). The center of the circle is labeled "FINANCIAL PLAN". Arrows point from each segment towards the center. The word "Resources" is written in the top half of the circle, and "Resources" is written in the bottom half of the circle.

PG, p. 67

Facilitator Notes	Review Learning Objectives listed on the slide.
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Financial Planning for YOUR Transition



What is your current financial situation?



☐ Review the following from your spending plan:

- Income
- Expenses
- Debt
- Assets

☐ Consider the following:

- Do you use military-specific benefits (i.e., healthcare, childcare)?
- Have you identified where your income is being spent?
- Are you comfortable with your level of debt?
- Have you calculated all savings and assets?
- Is your credit report accurate and your score acceptable?

PG, p. 66



ACTIVITY: Review Current Financial Situation

INSTRUCTIONS:

1. Instruct participants to review the Income, Expenses, Debt and Assets sections of their spending plans.
2. Ask participants to consider the following questions. This is a reflection activity and responses are not required.
 - Do you use military-specific benefits (i.e., healthcare, childcare, commissary)?
 - Have you identified where your income is being spent?
 - Are you comfortable with your level of debt?
 - Have you calculated all savings and assets?
 - Is your credit report accurate and your credit score acceptable?

Financial Planning for YOUR Transition



What financial changes will occur during and after transition?

☐ Based on your post-transition plans, what financial changes do you need to consider?

- Have you calculated the income necessary to maintain your current lifestyle?
- Did you include reduced-cost benefits in your projected income needs?
- Is your savings enough to cover 3-6 months of expenses?
- What new living expenses do you have to pay?
- Will there be relocation expenses?

PG, p. 67



ACTIVITY: Consider Financial Changes During and After Transition

INSTRUCTIONS: Ask participants to consider the following questions. This is a reflection activity and responses are not required.

- Have you calculated the income necessary to maintain your current lifestyle after transition in the location where you plan to live?
- Did you include the additional cost of benefits that were previously provided by the military at a reduced cost in your projected income needs?
- Is your savings enough to cover 3-6 months of financial obligations if you experience either a gap in employment or a period of time between receiving your last military paycheck and your first in civilian one?
- What new living expenses need to be considered?
- Will there be relocation expenses?

Financial Planning for YOUR Transition

Are you prepared with strategies to reduce the impact transition may have on your finances?

- ☐ Ways to improve a financial situation, through:
 - Increasing income
 - Decreasing expenses
 - Decreasing debt
- ☐ Do you know which suggestions you can/will implement, if necessary?

PG, p. 67

Create or update your spending plan

- ☐ You now have ability and knowledge, through the activities and websites, required to complete your spending plan.



ACTIVITY: Are you prepared financially to transition?

INSTRUCTIONS:

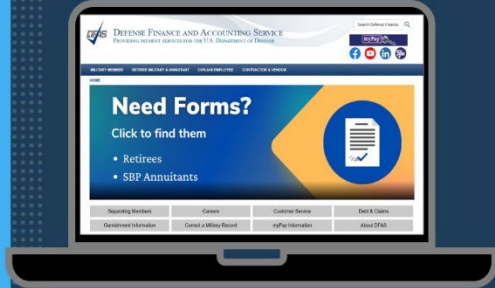
- Ask participants to consider the following questions. This is a reflection activity and responses are not required.
 - Are you prepared to implement the following ways to improve a financial situation, if necessary?
 - Increasing income
 - Decreasing expenses
 - Decreasing debt
 - Are you prepared financially to transition?

Create/update your spending plan.

- Remind participants that this course has provided all the information and resources needed to complete the spending plan—the Career Readiness Standard for this course.
- Encourage them to visit a PFM if they need assistance or have questions.

Financial Planning for YOUR Transition

FINAL PAY PROCESS



PG, p. 68

FINAL PAY:

- Can take up to 120 days before your final paycheck is deposited.
- Will be deposited on random day; similar to a special pay.
- Issues: Contact DFAS – 888-332-7411

RETIREE PAY:

- Complete the DD 2656 for retirement pay processing.
- Can take 30-60 days after retirement date to receive first retiree check.
- Issues: Contact DFAS – 800-321-1080

Facilitator
Notes

Final Pay

- Explain the process used by your Service/installation for final pay.
- If final pay is flagged, it may be **up to 120 days** before it is deposited.
- Final pay amount may be less than expected if debts are deducted.
- Contact DFAS at the 888 number for questions/concerns.

Retiree Pay

- Must complete the DD2656 on DAFS website.
- Can take 30-60 days to receive first retiree check.
- Contact DFAS at the 800 number for questions/concerns.

Financial Planning for YOUR Transition

TIME TO ACCESS:

- Separating
 - 13 months only
- Retiring
 - 13 months for statements from in service period
 - New Login credentials will arrive when your retired pay account is established

TO MAINTAIN ACCESS:

- Log on using a personal device to:
 - Update email and physical address
 - Update security questions and review personal settings
 - Print/save a copy of all W2s for the last 13 months

ACCESSING myPAY



Create a non-CAC Login
to maintain access without a CAC

PG, p. 69

Facilitator Notes

- Use a personal device to access the site 30 days prior to transition to update personal information, i.e., email and mailing addresses, security questions.
- **Separating:** AD/R will maintain access to your myPay account for 13 months.
- **Retiring:** AD access with the Login ID and Password will continue; however, your active component pay statements will only be available for 13 months. After retirement, a retirement pay account is established. Options to manage your pay and your retiree account statements will become available.
- **Retiring reservist:** Will not have continued, uninterrupted myPay access. A new myPay password will be mailed when retirement age is reached and the retired pay account is established.

NOTE: Military Retirees that are in a non-pay status due to a VA Waiver or Combat Pay can still access myPay but will have limited options available.

Financial Planning for YOUR Transition



Facilitator
Notes

SKIP if Coast Guard members are not present in the class

Instruct Coast Guard participants to complete the following:

- Visit the USCG Pay & Personnel Center (PPC) webpage
- Enter your 7-digit Employee ID (Emplid) in the User ID field
- On the Self-Service page, review the following and update, if necessary:
 - Mailing address
 - Phone number (personal number)
 - Email address (personal email)
 - Delivery options
 - Password
 - Federal and state tax

Financial Planning for YOUR Transition

FRAUD AND SCAMS



SCAM ALERT!

In 2023, Americans were scammed out of **\$10 billion*** dollars.

If it seems too good to be true, it probably is!

Red Flags

- Pressured to act
- Guaranteed success
- Promise high returns
- Requires upfront investment
- Requests overpayment

Common Scams

- Fake military charities
- Phone debt collectors
- Military loan scam
- Lump Sum BRS scam
- DFAS/MyPay phishing scam
- Insurance scam

PG, p. 70

* According to the Federal Trade Commission

Facilitator Notes

- Explain how to protect oneself from fraud and scams by identifying the red flags that signal a scam.
 - Not everyone who claims to be part of a Veteran Service Organization or a Military Service Organization is trustworthy.
 - Take the time to thoroughly research and vet any product, idea, or organization.
 - If it sounds too good to be true, it probably is!
- Explain 2-3 common scams:
 - **Fake military charities**—names sound like real charities asking for money for disabled or wounded veterans
 - **Phony debt collectors**—contact and pressure you to pay debts you do not owe
 - **Military loan scam**—advertise loans with no credit check or instant approval for Service members but have high interest rates, upfront fees, or hidden fees.
 - **Lump Sum BRS scam**—encourage you to take the lump sum from BRS, and the company offers to manage it for you; generally non-federal entities who charge a higher fee, and may include the possibility of tax obligations and penalties for taking early withdrawal.
 - **DFAS/myPay Phishing scam**—pretend to be from DFAS or another military group and attempt to steal your identity by claiming your information was lost and asking for your PII.

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- | | |
|--|--|
| | <ul style="list-style-type: none">○ Insurance scam – insurance agents engage in high pressure tactics and make phony claims on policy benefits which are generally overly expensive and not necessary.• Ask participants to share any scams targeting veterans and Service members they have experienced or heard about from others. |
|--|--|
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Financial Planning for YOUR Transition



Facilitator Notes	<ul style="list-style-type: none">• Discuss the resources and assistance available at your installation and how to make an appointment.• Inform participants of upcoming classes related to transition.
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Financial Planning for YOUR Transition

INSTALLATION RESOURCES

This slide is included for sites to add site-specific information about Installation Resources.

See font and color details below.

HIDE slide if not used; if deleted, slide numbers used in the Facilitator Guide will not match the slides.

Title Font: 48-54 pts - Franklin Gothic Medium, All CAPS. | Body Font: Minimum 18 pts - Calibri Body

Color Codes: Dark Blue - RGB (R: 30, G: 61, B: 88) | Light Blue - RGB (R: 0, G: 176, B: 240)

Facilitator Notes	<p>HIDE OR DELETE if not using this slide</p> <p>Sites are encouraged to add local resources by following the guidelines provided on the Installation Resources slide.</p>
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Financial Planning for YOUR Transition



Facilitator Notes	<ul style="list-style-type: none">• Discuss where sources of help can be found outside of the installation as those separating may not have access to an installation. If you know of a reputable non-profit that provides financial counseling in your area, be sure to mention it.• Examples of post-transition resources<ul style="list-style-type: none">○ American Job Centers (AJC)—some sites provide financial counseling○ Local and/or non-profit financial education organizations○ Military One Source (for 365 days after transition)○ State resources <p>DISCLAIMER: This does not constitute a formal DoD endorsement of any company, its products, or services.</p>
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Financial Planning for YOUR Transition




Facilitator Notes	<p>Financial Planning for YOUR Transition Wrap Up – ask questions that are relevant for your class. Below are a few suggestions:</p> <ul style="list-style-type: none">• Are you financially ready for transition?• If not, what can you do to get ready?• Who do you contact if you have a question about your final pay?• Where can you seek financial assistance while still in the military? After you transition?
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Summary

FINANCIAL PLANNING for TRANSITION Summary

- CRS: Complete a post-separation budget
- Make an appointment with installation or TAP financial counselor, if necessary
- Complete the TAP Participant Assessment for Financial Planning for Transition

PG, p. 73




Facilitator Notes	Review/remind the participants of the information on the slide.
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Summary

TAP INTERAGENCY WEBSITE GUIDE (TIWG)

If you have not yet downloaded the Website Guide, please do so now by following the instructions below:



1. Use the QR code on the right or the URL below to go to:
https://www.TAPevents.mil/Assets/ResourceContent/TAP/TAP_Interagency_Website_Guide.pdf
2. Download and save the Website Guide on your computer or email it to yourself if using a government computer



PG, p. 74

Facilitator Notes	Remind participants to download the TAP Interagency Website Guide using the link/QR code. The guide contains all the websites referenced in the TAP courses.
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Summary

TRANSITION
ASSISTANCE
PARTICIPANT
ASSESSMENT



PG, p. 75

We want your feedback!

Your feedback is anonymous and very valuable to the success of TAP. Every comment is read and addressed as appropriate.

▪ Use computer or mobile device

▪ Go to: <https://www.dodsurveys.mil/tap>

▪ Select **Financial Planning for Transition**

▪ Complete assessment

OR...SCAN THIS QR CODE WITH
YOUR PERSONAL DEVICE TO
BEGIN THE ASSESSMENT



Facilitator Notes	<ul style="list-style-type: none">• Information is gathered and analyzed quarterly, and participant feedback is used to make improvements/updates to the curriculum.• All comments are reviewed and referred to the appropriate agencies.• For facilitator information about the participant assessment, visit https://www.DODTAP.mil; select the "Login to DoD TAP" tab at the top; select "Managers and Counselors," and sign in using a Common Access Card.
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Summary



QUESTIONS?

Reminder:

We are here to help YOU! If you have any questions at any point during your transition, please let us know.

Facilitator Notes	In the available space on this slide/whiteboard/butcher paper, include the installation contact information for participants to use for more information.
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