



LEADERSHIP

VIDEO DISCUSSION GUIDE

NAVY FINANCIAL READINESS

HANDOUTS

- ✓ Leadership Training Counselee Checklist
- ✓ The Need for Personal Financial Management
- ✓ Financial Warning Signs
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Military Retirement
- ✓ Education Benefits and Savings

CFS Preparation: Distribute and discuss the *Leadership Checklist* and accompany handouts to support this video-based training course. Checklist and handouts can be found online at <https://finred.usalearning.gov/SPL/Training/NavyResource/Touchpoint-Curriculum>.

★ PART ONE: INTRODUCTION AND THE NEED FOR PERSONAL FINANCIAL MANAGEMENT

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

When finances are not a stress in one's life, the ability to focus on tasks at hand is improved. In your role you have a direct impact on improving the financial lives of those who work for you. It is important to maintain relevant knowledge, know the warning signs of financial distress and keep up-to-date points of contact for referral resources who can assist you.



Overview

DISCUSSION QUESTIONS

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

CFS Talking Points: Some possible reasons are age, no foundation of financial education, military lifestyle including frequent moves and deployments, managing money separately from spouse, spouse unemployment, cost of living, and access to credit. Review the **Financial Warning Signs** Handout and the Military OneSource Economic Security Toolkit at <https://www.militaryonesource.mil/leaders-service-providers/economic-security/> for more information and helpful resources to help Service members in need.



Need for PFM
and Financial
Warning Signs

2. How can you utilize your CFS team to help alleviate and possibly avoid poor financial decisions?

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

3. What ways can you work with the Personal Financial Management Program to improve the overall financial well-being of your military members?

CFS Talking Points: Invite Personal Financial Managers (PFMs) to trainings, schedule briefs, communicate on concerns/issues, attend Leadership Financial Seminars offered on your installation, maintain current points of contact, offer services to military members, and support members seeking services.



PART TWO: FINANCIAL PLANNING

CFS Introduction: The next area we will cover is financial planning. As a leader in the Navy, your ability to understand these topics and share information with others can support financial readiness.



Financial
Planning



Retirement
System
Overview

DISCUSSION QUESTIONS

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

CFS Talking Points: Facilitate and encourage discussion. Recall the top five money mistakes from the video are:

1. Buying too big, too soon
2. Not saving for retirement
3. Ignoring your credit
4. Opting out of Servicemembers' Group Life Insurance (SGLI)
5. Mismanaging day-to-day finances

It is common knowledge that many military members have financial concerns. Remind Leadership to have continuous conversations around positive financial behaviors.

2. Ask Leaders what questions they have regarding the Legacy “High-3” Retirement System and Blended Retirement System (BRS).

CFS Talking Points: Let's review the *Military Retirement* Handout and discuss commonly misunderstood components:

- Legacy pension calculation = $2.5\% \times \text{Years Served} \times \text{High-3}$
 - Reserve members divide accumulated retirement points by 360 for “Years Served,” assuming they have earned enough qualifying years toward retirement.
- BRS pension calculation = $2\% \times \text{Years Served} \times \text{High-3}$
 - Reserve members divide accumulated retirement points by 360 for “Years Served,” assuming they have earned enough qualifying years toward retirement.
- TSP under Legacy: No automatic government contributions, no match
- TSP under BRS: Automatic government contributions at 1%, match 4% for a total of 5% on base pay
- BRS Continuation Pay: Lump-sum payment at 12 years served in exchange for additional service
- BRS lump-sum option at retirement: Option to receive lump-sum payment which reduces pension by 25% or 50%

KNOWLEDGE CHECK

Question: Where can you go to obtain copies of your credit reports at no cost?

Answer: Check your credit report for free once per year at annualcreditreport.com.

You may also visit the PFM at your Fleet and Family Support Center (FFSC) to get help accessing your credit report.



PART THREE: MILITARY CONSUMER PROTECTIONS AND CAREER INVESTMENT PROGRAMS

CFS Introduction: Let's move on and cover military consumer protections and career investment programs. We'll learn more about how you can protect yourself and those you lead from consumer predators. This section will also cover three programs that can help Sailors prepare for life after the Navy.



Military
Consumer
Awareness

DISCUSSION QUESTIONS

1. How can you help yourself and those you lead from consumer predators?

CFS Talking Points: Consumer education is vital to protect yourself and those you lead. Understand military consumer protections available under the Military Lending Act (MLA) and the Servicemembers Civil Relief Act (SCRA). The MLA protects Service members and their families from predatory lending by setting rules creditors must follow and limiting interest rates. The SCRA includes many benefits including protections for Service members to cancel certain contracts and reducing interest rates on debts. Refer to the *Military Consumer Protection* Handout for more in-depth information.

2. What are three programs that can help Sailors who are currently serving invest in their marketability and professional development for life after the Navy?

CFS Talking Points: Help Leadership become aware of the following three programs:

- United Services Military Apprenticeship Program (USMAP) – A Sailor's rating and skills may lead to apprenticeship opportunities
- Navy Credentialing Opportunities Online (COOL) – Military experience may translate into a civilian credential
- Tuition Assistance – Funding is available to help Sailors reach their educational goals toward achievement of an associate's or bachelor's degree

Review the *Education Benefits and Savings* Handout for more details.

KNOWLEDGE CHECK

Question: What are two laws that protect military consumers?

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



PART FOUR: CONCLUSION



Final Thoughts

CFS Conclusion: Let's review. In today's training, we discussed common mistakes made regarding financial decisions of military members and how to learn to recognize and avoid them. Next, we discussed the military retirement systems, the Legacy "High-3" System and the Blended Retirement System. Lastly, we discussed military consumer protections and career investment programs. What questions can I answer about these topics?

Remember your Command Financial Specialists (CFSs) and Personal Financial Managers (PFMs) are ready and willing to assist your military members in making financial plans and decisions by providing information, education and providing referral resources. Encourage your Sailor to take advantage of the resources afforded to them and let us know how we can assist you in ensuring your members are financially equipped and confident in the decisions they make. Please remember to sign your checklist and input into NSIPS to acknowledge completion of this course.