

Financial Mile Markers on your Leave and Earnings Statement (LES)

The process of reviewing the household budget allows the Marine, spouse or significant other to adjust the budget from three basic viewpoints. (1) Monthly Income (2) Mandatory Expenses, commonly referred to as fixed expenses and (3) Discretionary Expenses. It also allows the service member to quickly determine future monthly income deficits and monthly income surpluses.

Review the Financial Mile Markers on your LES

Similar to mile markers along highways, there are important mile makers in your LES for you as you're creating your deployment spending plan. A highway location marker is a milestone. A budget marker is a financial milestone. Just as you need to pay attention to highway mile makers, you also need to pay attention to financial mile makers.

Types of Financial Markers

Entitlements: This is one of the most important sections, showing all of your pay coming in—including your base pay, meal allowance (BAS), housing allowance (BAH) and any specialty bonuses. If you're deployed, it will also show any hardship duty pay (HDP), family separation allowance (FSH) or other special pay.

Deductions: This is the money that is subtracted from your pay, such as federal and state taxes, Social Security and Medicare taxes (FICA), any premiums you pay for Servicemembers Group Life Insurance for you or your family (SGLI) and your Thrift Savings Plan contributions.

Allotments: This is money you choose to have the payroll office automatically send from each paycheck to a savings account, charitable contributions, dental insurance premiums or loan payments, for example.

Summary: This column shows your take-home pay—your total pay minus your deductions and allotments.

Leave: This column shows how much leave you've brought forward from the past fiscal year, how much you've earned so far this fiscal year, how much you've used and your current leave balance. The "use/lose" box shows the projected number of days of leave you will lose if you do not use it by the end of the current fiscal year.

Taxes: The Fed Taxes column shows the amount of money earned in this pay period (and year to date) that is subject to federal income tax withholding. The next boxes show the marital status and exemptions used to calculate the withholding and any other money you've asked to set aside for taxes. The Tax YTD is the amount of federal taxes paid so far this year.

- The state taxes column shows similar information about your state taxes withheld so far this year.
- FICA Taxes column shows the amount of wages earned in this pay period that is subject to FICA taxes (Social Security taxes) and the amount of FICA taxes you've paid so far this year.

- The Med Wage YTD shows the amount of wages year-to-date that are subject to Medicare taxes and the cumulative Medicare taxes that have been paid so far this year.

Pay Data: This shows some of the information that your pay is based on, including your BAH type (whether or not your housing allowance is based on having any dependents, such as a spouse), your zip code used to calculate your Variable Housing Allowance (VHA) and other information used to determine your housing and other allowances.

Thrift Savings Plan: Shows the percentage of your base pay, special pay, and bonuses that you've chosen contribute to your TSP, your contributions deducted so far this year and the amount reported as tax exempt to the IRS (if receiving tax-free deployment pay, for example).

Other Financial Markers

Discretionary Expenses.

These are amounts of an individual's income that is available after paying fixed expenses. Discretionary income includes money spent on personal items, vacations, and nonessential goods and services. Here we encounter discretionary expenses such as eating and dining out, clothing, haircare, internet, cell phone, hobbies and entertainment, alcohol, tobacco, and personal spending money.

Future Purchases

Also, many financial experts agree that setting aside money for the future should be mandatory. Your budget should allow you to enter investing or savings as mandatory or discretionary.

Groceries and Dining Out

Financial Counselors view 'Groceries' as a variable mandatory expense. On the other hand, 'dining out' is viewed as a discretionary expense. Looking at this expense, please consider the fact that this cost increases in the Marine's household if parents arrive to live with Marine's family while he/she is away.