



Congratulations on welcoming your first child into your family! A child can change everything, including your household finances. This checklist, supplemented with information and referrals from the Marine Corps Community Services (MCCS) staff, can help you organize your finances efficiently as you work through the many changes that come with a new birth or adoption.

Use this checklist as a solution-focused tool to help set goals, establish priorities, and develop a family action plan. Space is provided to add local resources and reminders about additional topics.

### HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Major Purchases
- ✓ 5 Rules of Buying a House
- ✓ Education Benefits and Savings
- ✓ Paying off Student Loans
- ✓ Military Retirement
- ✓ Thrift Savings Plan
- ✓ Estate Planning
- ✓ TRICARE Overview
- ✓ Survivor Benefits Overview



### BASIC FINANCE

- Update your personal spending plan using the *Spending Plan Worksheet* Handout. A good spending plan helps you manage your money, plan for your financial goals, and prepare for emergencies. Here are four steps financial experts suggest to get started.

#### Step 1: Understand your current situation.

In this step, it's important to understand what's REALLY going on with your money today. Start tracking all your income and spending for the next 30 days. How you do the tracking is up to you, but what's important is you do it.

#### Step 2: Know where your money should go.

Financial experts offer these general guidelines when budgeting your money:

- Try to save and/or invest 10% – 15% of pretax pay.
- Strive to keep transportation expenses including car payments, insurance, gas and maintenance to 15% – 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, and maintenance to your Basic Allowance for Housing or 25% of pretax pay.



#### Step 3: Create a plan.

Build a plan for setting aside money and putting limits on how much you'll spend each month per category.

- Prioritize your financial goals.
- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.

#### Step 4: Make adjustments.

Update your spending plan as your life changes. Monitor your plan until you have fully adjusted your finances to reflect your new situation.

- Check each of your three major credit reports for free at ***annualcreditreport.com***. Marines can request free credit monitoring services from the nationwide credit reporting agencies: Equifax, Experian, and TransUnion. Review the *Understanding Credit* Handout for more information.
- Review your new tax situation and change federal and state withholding as needed via <https://mypay.dfas.mil/#/>. Reserve members will need to do this with their employers as well.

Additional notes: \_\_\_\_\_  
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## CONSUMER PROTECTIONS

- Review the *Military Consumer Protection* Handout for additional information on identity theft, the Servicemembers Civil Relief Act (SCRA), and Military Lending Act (MLA).
- Protect yourself from misleading consumer practices and know basic procedures for handling a consumer complaint or dispute. Review the *Sources of Help for Military Consumers* Handout.

Additional notes: \_\_\_\_\_  
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## MAJOR PURCHASES

- Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases. Review the *Major Purchases* and *5 Rules of Buying a House* Handouts for more information.
- Work with the base housing office for any housing needs related to your new child.
- Review the *Education Benefits and Savings* and *Paying off Student Loans* Handouts to learn more about financing education, available benefits, obligations, and repayment options.

Additional notes: \_\_\_\_\_  
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## PLANNING FOR THE FUTURE

- Review your retirement savings goals. For more information on components of military retirement and the TSP, refer to the *Military Retirement* and *Thrift Savings Plan* Handouts.
- Evaluate your life insurance needs to ensure you have enough coverage, the right type of coverage, and correct beneficiaries. A simple method to calculate your life insurance needs is to use the acronym LIFE. Start by totaling all four categories listed below.

<b>L</b> liabilities	Debt you would like to pay off, like a mortgage, auto loan, or credit cards(s)	\$
<b>I</b> ncome to be replaced	Multiply targeted annual income amount by the number of years to replace	\$
<b>F</b> uneral and final expenses	The amount you would like to set aside for final expenses	\$
<b>E</b> ducation and other goals	The amount you want to set aside to fund education and other goals for family, friends, or charitable organizations	\$
<b>Total life insurance needed</b>		<b>\$\$\$\$</b>

Then compare your life insurance needs with your current amount of coverage plus any assets and benefits available at death. If you find you need additional coverage, then consider supplementing Servicemembers' Group Life Insurance (SGLI) with a commercial life insurance policy. Review the policy for any restrictions, such as a war clause. Common life insurance policies include:

- **Term insurance** — provides a stated amount of coverage over specific period of time and is designed to provide a large amount of coverage for the least cost.
- **Permanent insurance** — provides coverage designed to last for your entire life and can build cash value..

There are several permanent life insurance options offered such as universal life, whole life, variable life and even variable universal life insurance. These policies may have a surrender period and be subject to fees and penalties if canceled during this time.

- Review the beneficiaries of your Servicemembers' Group Life Insurance (SGLI). Children are covered by Family SGLI at no cost.
- Review and update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.
- Update your auto insurance policies, and ensure coverage is appropriate for your current needs.
- Review the *Estate Planning* Handout and see your Legal Assistance Office on base (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney, trust, etc.

Additional notes: \_\_\_\_\_  
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## COMPENSATION, BENEFITS, AND ENTITLEMENTS

- Enroll new family member(s) in TRICARE (active duty), TRICARE Reserve Select (Reserve members) or other health insurance plan. Review the *TRICARE Overview Handout* for more information.
- If your spouse is employed and also has health insurance (OHI or “other health insurance”), arrange coordination of benefits with TRICARE or other insurance carrier.
- Enroll new family member(s) in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit [www.tricare.mil/Dental](http://www.tricare.mil/Dental) for more information.
- Review the *Survivor Benefits Overview Handout* for more information on financial resources available to eligible dependents, including the Survivor Benefit Plan (SBP).

Additional notes: \_\_\_\_\_  
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## SAVING AND INVESTING

- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little each paycheck to help get you there.



## ADMINISTRATIVE TASKS

- Obtain an official copy of your child’s (or children’s) birth or adoption certificate(s).
- Apply for a Social Security Card for your child or children.
- Add your new dependent(s) to your Defense Enrollment Eligibility Reporting System (DEERS) account. Bring the birth certificate(s) and/or court documents to the nearest Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) office.
- Check your Leave and Earnings Statement (LES) after DEERS updates.
- Seek out and take advantage of financial workshops for parents.
- Enroll in financial assistance programs for which you may qualify.

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*CFS/PPM Printed Name*

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*Counselor Printed Name*

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