

FINANCIAL PLANNING FOR TRANSITION

DOWNLOADS

PARTICIPANT GUIDE



1. Use the URLs below or the QR codes to go to:

Participant Guide:

https://tapevents.mil/Assets/ResourceContent/TAP/Financial_Planning_Transition.pdf

Spending Plan Workbook:

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 WORKBOOK



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





FINANCIAL PLANNING FOR TRANSITION



373 967
804 029
1 296 731
1 859 317
2 499 808
3 227 076
4 050 935
R 28 331

Investment
424 963
446 211
468 522
491 948
516 545
442 372
569 491

Start at monthly

Can we do this?

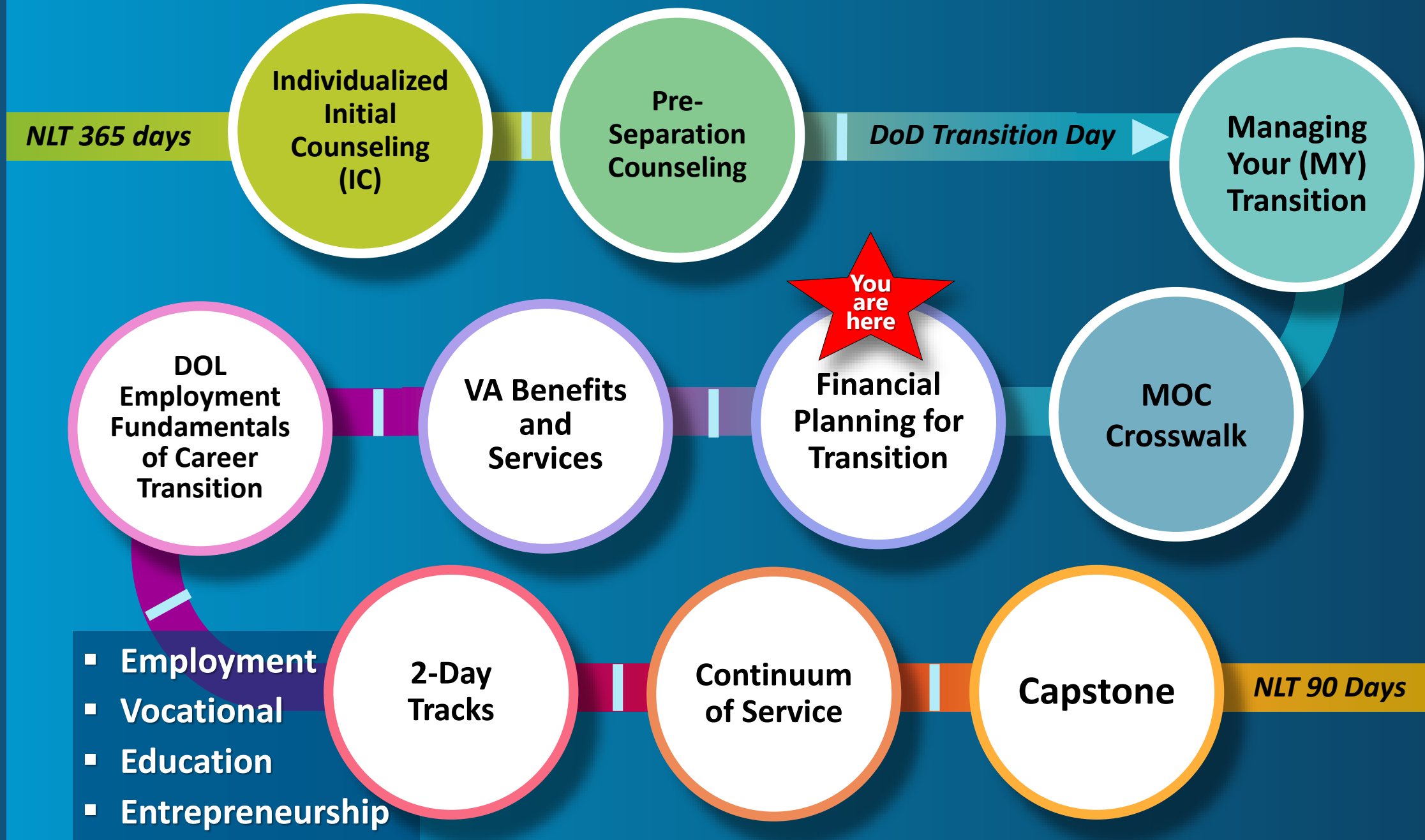
467 459
1 005 037
1 620 915
2 324 149
3 124 764
4 033 850
5 063 675
R 35 414

DISCLAIMER

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TRANSITION OVERVIEW



A hand is shown holding a coin, poised to drop it into a pile of other coins. A small green plant with several leaves is growing out of the center of the coin pile. The entire scene is overlaid with a semi-transparent blue filter.

**“START WHERE YOU ARE...
USE WHAT YOU HAVE...
DO WHAT YOU CAN...”**

-ARTHUR ASHE

FINANCIAL PLANNING FOR TRANSITION



FINANCIAL GOALS



Short term: 1 month - 1 year
Medium term: between 1 - 5 years
Long term: 5 or more years

● WHY A SPENDING PLAN?

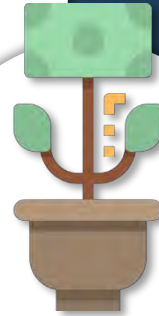
What will
change in
your
transition?



INCOME



EXPENSES



RETIREMENT



SAVING



DEBT

INCOME

LEARNING OBJECTIVES:

- Determine current military income and compensation.
- Compare current military income and compensation to civilian equivalent to predict future salary compensation requirements.
- Determine the difference in tax liability between current military compensation and projected civilian salary.



INCOME DEFINITIONS

Total pay +
allowances =
Gross Income

Gross Income –
tax/insurance/
retirement deductions
and other deductions
=
Net Income

Net Income is
the money you
take home from
each paycheck

LEAVE AND EARNING STATEMENT

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																
ID	NAME (LAST, FIRST, MI)			SOC. SEC. NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSN/DSSN	PERIOD COVERED					
					E2	180731	02	221224	ARMY	4830	1-31 OCT 20					
ENTITLEMENTS				DEDUCTIONS				ALLOTMENTS				SUMMARY				
TYPE		AMOUNT		TYPE		AMOUNT		TYPE		AMOUNT						
A	BASE PAY	1942.50		FEDERAL TAXES	171.61			BANK ACCT ALLOT	50.00			+AMT FWD				
B	BAS	372.71		FICA-MEDICARE	28.17							.00				
C	BAH	7.20		SGLI	25.00							+TOT ENT				
D				FRH	.50							2,322.41				
E				MEAL DEDUCTION	328.60							-TOT DED				
F				TRADITIONAL TSP	58.28							1,447.85				
G				MID-MONTH-PAY	835.69							-TOT ALMT				
H												50.00				
I												=NET AMT				
J												824.56				
K												-CR FWD				
L												.00				
M												=EOM PAY				
N												824.56				
O												DIEMS				
												RET PLAN				
TOTAL		2,322.41		TOTAL		1,447.85		TOTAL		50.00						
LEAVE	BP BAL	ERND	USED	CR BAL	ETS BAL	LV LOST	LV PAID	USE/LOSE	FED TAXES	WAGE PERIOD	WAGE YTD	M/S	EX	ADD'L TAX	TAX YTD	
	25.5	2.5	0	28.0	92.5	.0	.0	.0		1884.22	18842.20	S	00	.00	1716.70	
FICA	WAGE PERIOD	SOC WAGE YTD		SOC TAX YTD		MED WAGE YTD		MED TAX YTD		STATE TAXES	ST	WAGE PERIOD	WAGE YTD	M/S	EX	TAX YTD
TAXES	1942.50	19425.00		963.52		19425.00		281.70			FL	.00	.00	S	00	.00
PAY DATA	BAQ TYPE	BAQ DEPN	VHA ZIP	RENT AMT	SHARE	STAT	JFTR	DEPN	2ND JFTR	BAS TYPE	CHARITY YTD		TPC	PACIDN		
	PARTIAL			.00	0					STANDARD	.00			MS1A6WAA		
TSP	BASE PAY RATE	BASE PAY CURR		SPEC PAY RATE		SPEC PAY CURR		INC PAY RATE		INC PAY CURR		BONUS PAY RATE		BONUS PAY CURR		
	3%			0%				0%				0%				
ROTH	BASE PAY RATE	BASE PAY CURR		SPEC PAY RATE		SPEC PAY CURR		INC PAY RATE		INC PAY CURR		BONUS PAY RATE		BONUS PAY CURR		
	0%			0%				0%				0%				
AGNCY CNTRB	TSP AGENCY AUTO				TSP AGENCY MATCH				TSP YTD AGENCY AUTO				TSP YTD AGENCY MATCH			
	19.43				58.28				194.30				116.56			
YTD	TSP YTD DEDUCTIONS		TSP YTD DEFERRED		TSP YTD EXEMPT		ROTH TSP YTD		YTD ENTITLEMENTS		YTD DEDUCTIONS					
	582.80		582.80		.00		.00		23546.59		7090.92					
REMARKS: IF TSP ELECTION AMT EXCEEDS NET AMT DUE, TSP WILL NOT BE DEDUCTED. -FROM SEP THROUGH DEC 2020 THE WITHHOLDING OF YOUR SOCIAL SECURITY (FICA-SOC SECURIT) TAX WILL BE DEFERRED IF YOUR MONTHLY BASIC PAY RATE IS LESS THAN \$8,666.66. THE DEFERRED TAXES WILL BE COLLECTED FROM JAN 1 THRU APR 30, 2021. FOR MORE INFO VISIT HTTPS://WWW.DFES.MIL/TAXES/SOCIAL-SECURITY-DEFERRAL/ -SPECIAL LEAVE ACCRUAL FOR COVID-19 WAS APPROVED. SOLDIERS MAY CARRY OVER THEIR EXCESS LEAVE UP TO 120 DAYS AT THE END OF FY2020. ALL EXCESS LEAVE MUST BE USED BY THE END OF FY2023 OR IT WILL BE LOST. -INTERESTED IN REQUESTING YOUR ABSENTEE BALLOT AND VOTE IN THIS YEAR'S ELECTION? VISIT WWW.FVAP.GOV TO LEARN MORE. MEMBER'S SGLI COVERAGE AMOUNT IS \$400,000 CHANGE AGENCY CONTRBTN 201001(296) FICA RATE CHANGE 201001(281) FICA RATE CHANGE 201001(296) BANK JPMORGAN CHASE BANK, N.A																

Entitlements: Base Pay, BAS, BAH, Fly Pay, COLA, Dive Pay

USCG PAYSLIP

EARNINGS		TAXES		
Description	Current	Description	Current	YTD
BAS-ENL	186.35	FICA	78.14	843.91
BASIC PAY	1021.35	FITW	50.76	1543.49
CSEAPAY	17.50	SWT	14.23	303.43
TOTAL:		TOTAL:	143.13	2772.85

DEDUCTIONS		ALLOTMENTS	
Description	Current	Description	Current
AFRH	0.25	CG Exchange	119.70
DISCOUNT MEAL RA	189.60	CGMA LOAN	41.67
SGLI II	12.00		
TSGLI	0.50		
TSP ROTH-BASIC	51.07		
TSP TRAD-BASIC	30.64		
TOTAL:	284.06	TOTAL:	161.37

SPENDING PLAN UPDATE – INCOME

- Income from LES or Payslip to include all entitlements
- Spouse income
- Income from additional sources



CIVILIAN SALARY EQUIVALENT

SEPARATING:

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

Current Salary:

- \$33,440
- \$60,638 with BAH, BAS

Civilian Equivalent:

- \$64,967

Grade	E-4
Years of Service	4
Tax Filing Status	Single
Family Size, including Yourself	1
Living OCONUS or Not Receiving BAH	<input type="radio"/> Yes <input checked="" type="radio"/> No
ZIP Code of your Permanent Duty Station	20002
Calculate	

Note: Final display of your results may take a few moments while the browser processes your selected tax data. Results will appear below when complete.

Grade	E-4
Years of Service	4
Tax Filing Status	Single
Living OCONUS or Not Receiving BAH?	No
Living OCONUS?	N/A
ZIP Code of your Permanent Duty Station	20002
Annual Basic Pay	\$33,440.40
Annual Basic Allowance for Housing	\$22,860.00
Annual Basic Allowance for Subsistence	\$4,883.76
Non-Taxable Allowances (BAH + BAS)	\$27,743.76
Number of Exemptions for Previous Calendar Year	1
Personal Exemption Amount	\$0.00
Standard Deduction	\$12,950.00
Total Deductions	\$12,950.00
Taxable Income (Annual Basic Pay - Total Deductions)	\$20,490.40
Tax Rate	12%
Gross Up	\$31,527.00
Tax Advantage	\$3,783.24
Total Regular Military Compensation (RMC) \$64,967.40	

RETIRING:

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

Current Salary:

- \$120,970
- \$150,469 with BAH, BAS

Civilian Equivalent:

- \$158,790

CIVILIAN SALARY EQUIVALENT

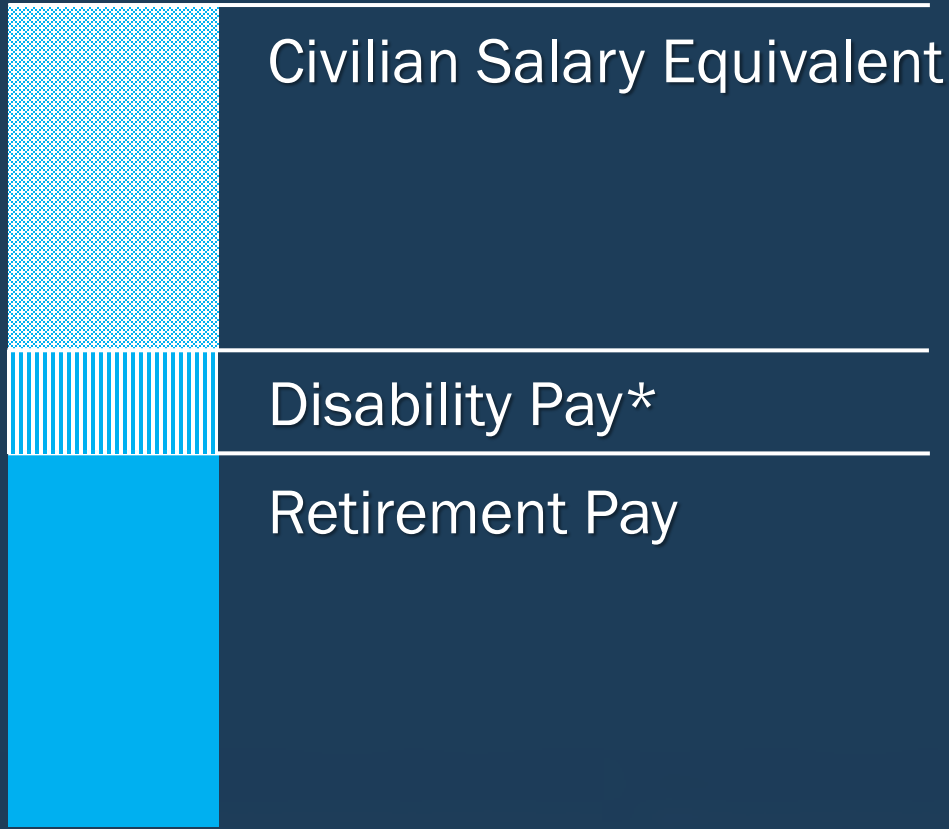
Grade	O-5
Years of Service	20
Tax Filing Status	Married Filing Jointly
Family Size, including Yourself	4
Living OCONUS or Not Receiving BAH	<input type="radio"/> Yes <input checked="" type="radio"/> No
ZIP Code of your Permanent Duty Station	78150
<button>Calculate</button>	

Note: Final display of your results may take a few moments while the browser processes your selected tax data. Results will appear below when complete.

Grade	O-5
Years of Service	20
Tax Filing Status	Married Filing Jointly
Living OCONUS or Not Receiving BAH?	No
Living OCONUS?	N/A
ZIP Code of your Permanent Duty Station	78150
Annual Basic Pay	\$120,970.80
Annual Basic Allowance for Housing	\$26,136.00
Annual Basic Allowance for Subsistence	\$3,363.48
Non-Taxable Allowances (BAH + BAS)	\$29,499.48
Number of Exemptions for Previous Calendar Year	4
Personal Exemption Amount	\$0.00
Standard Deduction	\$25,900.00
Total Deductions	\$25,900.00
Taxable Income (Annual Basic Pay - Total Deductions)	\$95,070.80
Tax Rate	22%
Gross Up	\$37,819.85
Tax Advantage	\$8,320.37
Total Regular Military Compensation (RMC) \$158,790.65	

RETIREE PAY GAP

Retiree
Pay Gap



*If applicable

Civilian Salary Equivalent
— Disability Pay*
— Retirement Pay

Retiree Pay Gap

TAXES: Military vs. Civilian Income

Sample Income:
\$63,000

TOTAL TAXABLE INCOME

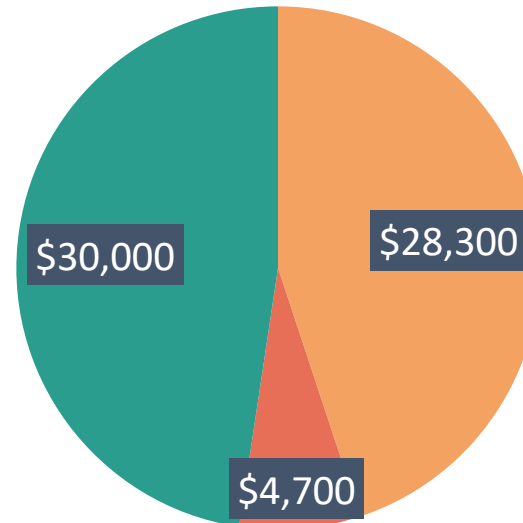
Total shown reflects take-home

NON-TAXABLE INCOME

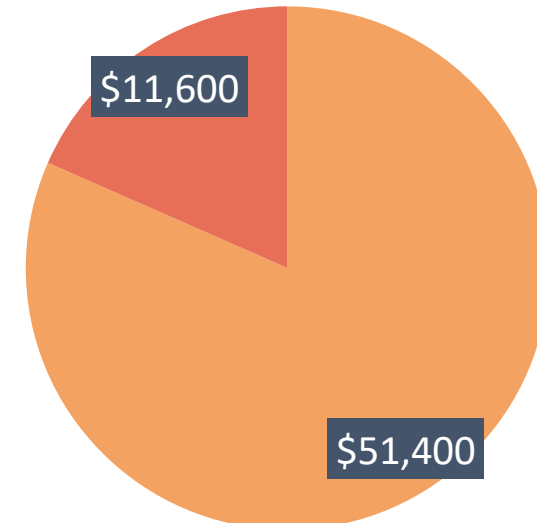
(BAS, BAH, etc.)

FEDERAL TAXES

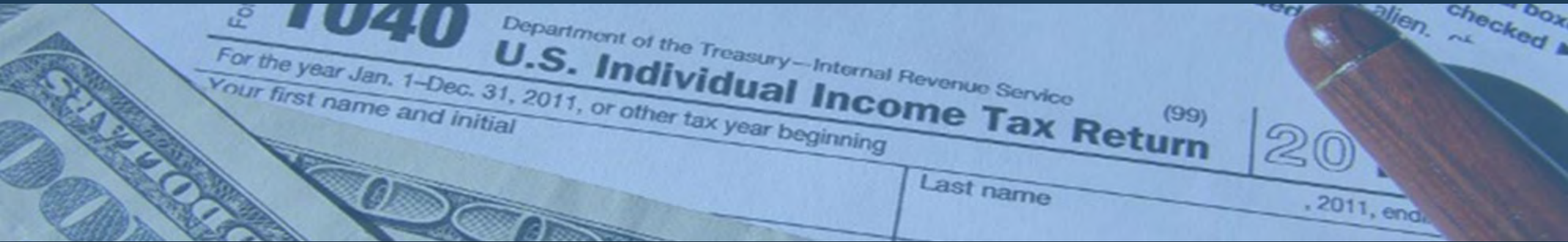
Military Income



Civilian Income



TAXES



- Taxable Income
- Federal Taxes
- State Income Tax
- County or City Tax
- Automatic extensions
- Property Taxes

ESTIMATE YOUR TAXES

Separating

GO TO:

www.smartasset.com/taxes/income-taxes

- Enter the following information:
 - ✓ Civilian Salary Equivalent (include any special pay) as household income
 - ✓ Location = zip code
 - ✓ Filing status

Retiring

- Estimate **pre-tax** retirement pay using:
<http://militarypay.defense.gov/Calculators/High-3-Calculator/>
- GO TO: 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 Retirement = military retirement
 - ✓ Annual wages = amount needed to close the gap between retirement pay and civilian salary equivalent
 - ✓ Location = zip code
 - ✓ Year of birth
 - ✓ Filing Status

INCOME REVIEW

**Time for
review**



Gross vs Net Income?



Civilian Equivalent Salary?



Changes to taxes?

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



LIVING EXPENSES



Household



Utility



Transportation



Food



Clothing



Insurance



Leisure

SPENDING PLAN UPDATE – ESTIMATE EXPENSES

- Utilities
- Transportation
- Food (Groceries/Dining Out)
- Clothing/Personal Grooming
- Insurance
- Leisure



TRACK SPENDING

- Record all expenses daily or weekly using receipts
- Use a paper/pen, spreadsheet, notebook,
- Use an app, such as Mint, Dollarbird, Fudget
- Review past credit card or bank statements

Be sure to track
ALL purchases!



LIVING EXPENSES



Household



Utility



Transportation



Food



Clothing



Insurance



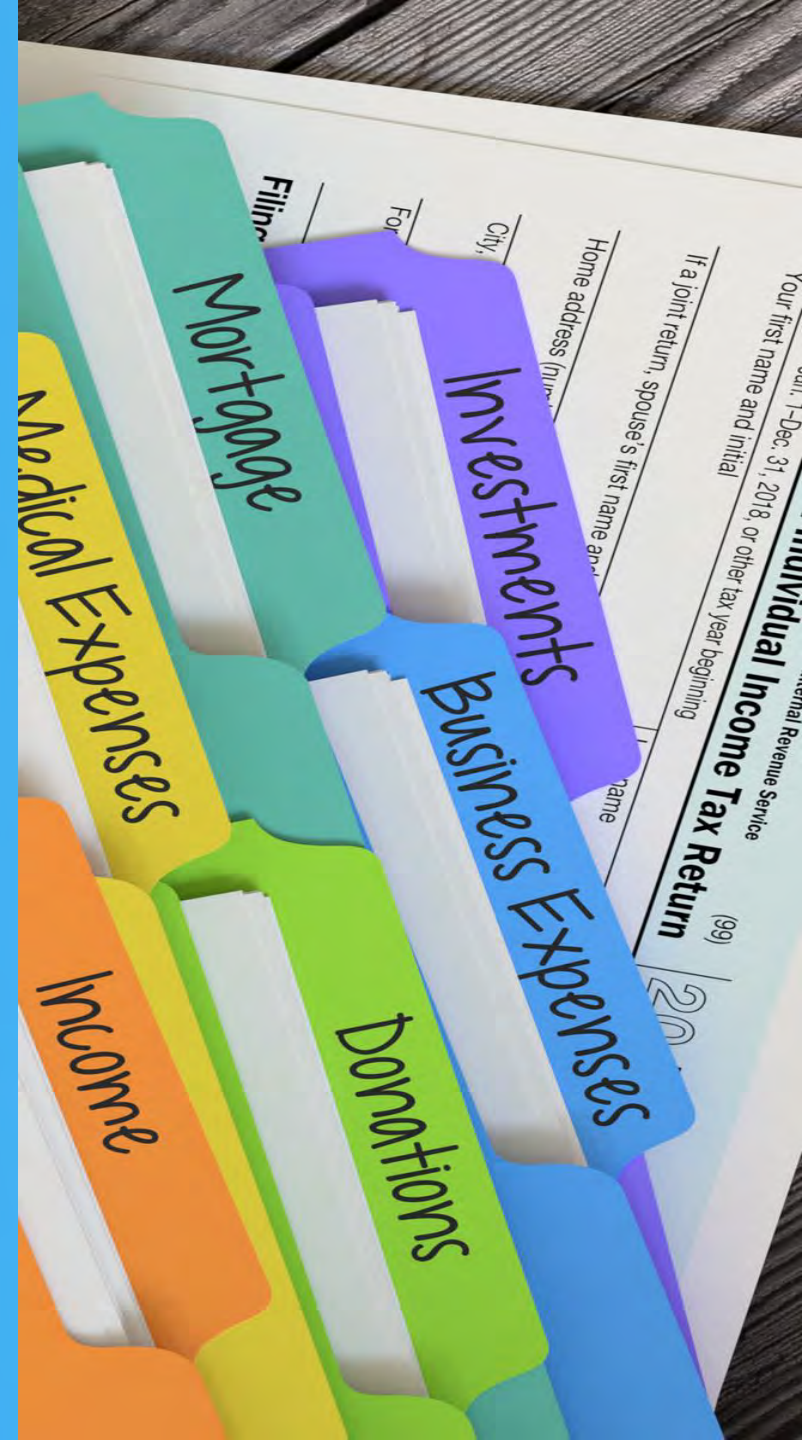
Leisure

Expenses: What will change or be new?

COST OF LIVING CHANGES

What could impact your financial plan?

- Salary
- Housing
- Utilities
- Taxes (including tax benefits for veterans)
- Food
- Child care
- Commuting costs
- Clothing
- Entertainment
- School costs
- Climate
- Health insurance



COST OF LIVING CHANGES

City you are moving from

Washington-Arlington-Alexandria DC-VA-MD-WY Metro

City you are moving to

Raleigh NC Metro

Your current income

\$ 64,967

Your results

To maintain your current standard of living in
Raleigh NC Metro, you need to earn:

\$ 40,051.18

The cost of living is **38.35%** lower in Raleigh NC Metro.

City you are moving from

San Antonio-New Braunfels TX Metro - San Antonio

City you are moving to

Nashville-Davidson-Murfreesboro-Franklin TN Metro - Columbia-Maury County TN

Your current income

\$ 158,790

REFRESH LISTING

Your results

To maintain your current standard of living in
Nashville-Davidson-Murfreesboro-Franklin TN Metro - Columbia-Maury County TN, you need to earn:

\$ 170,249.07

The cost of living is **7.22%** higher in Nashville-Davidson-Murfreesboro-Franklin TN Metro - Columbia-Maury County TN.



HEALTH CARE CHOICES AFTER TRANSITIONING



Separating from Active Duty

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

Retiring from Active Duty

- *Tricare for Military Retirees*
 - Must enroll within 90 days of retirement date
 - Annual premium



CIVILIAN HEALTH INSURANCE



INDIVIDUAL OR SINGLE FAMILY:

- Purchased from the insurance company or marketplace
- May be more expensive
- Health questionnaire or physical exam may be required
- More choices on coverage plans

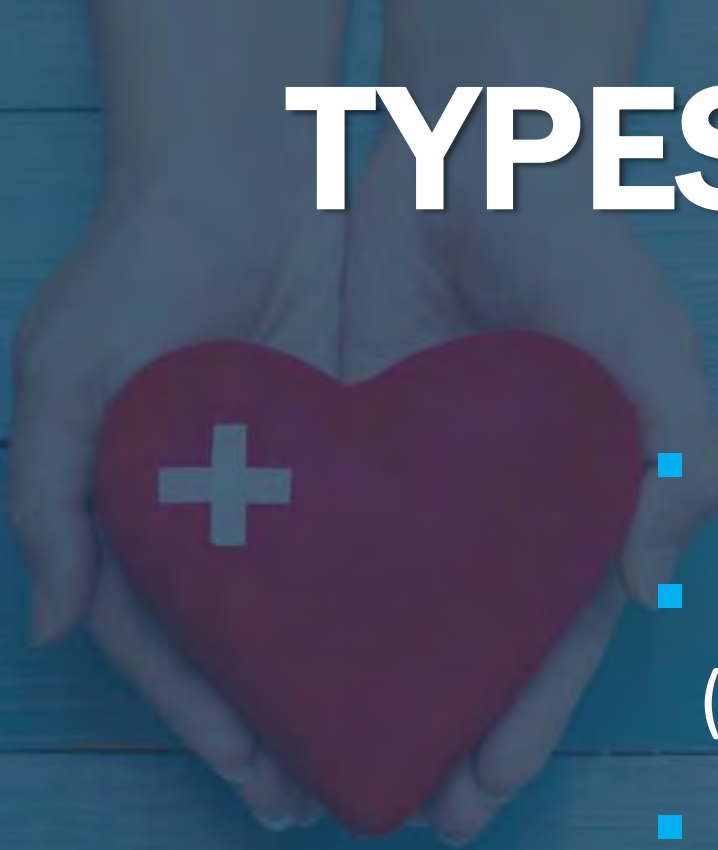
GROUP:

- Negotiated group rate, generally through employer
- Less expensive
- No individual within the group can be denied coverage
- Limited choices on plans

HEALTHCARE TERMS

- Premium
- Deductible
- Co-Insurance
- Co-payment
- In-Network Cost
- Out-of-Network Cost
- Out-of-Pocket Cost
- Out-of-Pocket Maximum Limit
- Flexible Spending Account (FSA)
- Health Savings Account (HSA)

TYPES OF PLANS



- Preferred Provider Organizations (PPO)
- Health Maintenance Organizations (HMO)
- Exclusive Provider Organization (EPO)
- Point of Service (POS)
- Catastrophic Plan

Which plan is right for you and your family?

ESTIMATING HEALTH INSURANCE

Fast facts: Plan categories

Plan categories are based on how you and the plan share your health care costs. Generally, plans in categories with lower premiums pay less of your total costs. Categories with higher premiums usually pay more. All plans cover at least the same set of essential health benefits. **Categories have nothing to do with care quality.**

Bronze

3 Plans

\$\$\$\$

Average premium

\$XXX

per month

Lower monthly premiums than Silver, but your deductible is higher and you pay more when you get care.

Silver

7 Plans

\$\$\$\$

Average premium

\$XXX

per month

Higher monthly premium than Bronze, but your deductible is lower and the plan covers more of your costs.

Gold

6 Plans

\$\$\$\$

Average premium

\$XXX

per month

Higher premiums than Silver, but your deductible is lower and your plan pays more when you get care.

Platinum

1 Plan

\$\$\$\$

Average premium

\$XXX

per month

Highest monthly premium, but your deductible is very low and your plan pays nearly all your costs of care.

[See all plans](#)

LIFE INSURANCE

- L** Liabilities (mortgage balance, debt, etc.)
- I** Income (annual salary x years to replace that income)
- F** Final Expenses (burial, estate, etc.)
- E** Education (e.g. college for survivors)



Liquid assets
Existing college funds
Current life insurance policies



Life Insurance you need

How much do you need?
Note that your needs will change over time


TYPES OF LIFE INSURANCE

- Veterans Group Life Insurance (VGLI)
- Term Life Insurance
- Permanent (Whole, Variable, Universal)



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



EXPENSE REVIEW

**Time for
review**



Tracking expenses before transition?



Non-taxable entitlements and Civilian
Equivalent Salary?



What is a co-pay?



What is a deductible?

DEBT and CREDIT

LEARNING OBJECTIVES:

- Determine debt-to-income ratio
- Analyze the impact of credit score on transition
- Identify ways to decrease debt prior to transition





WHAT IS YOUR DEBT?

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

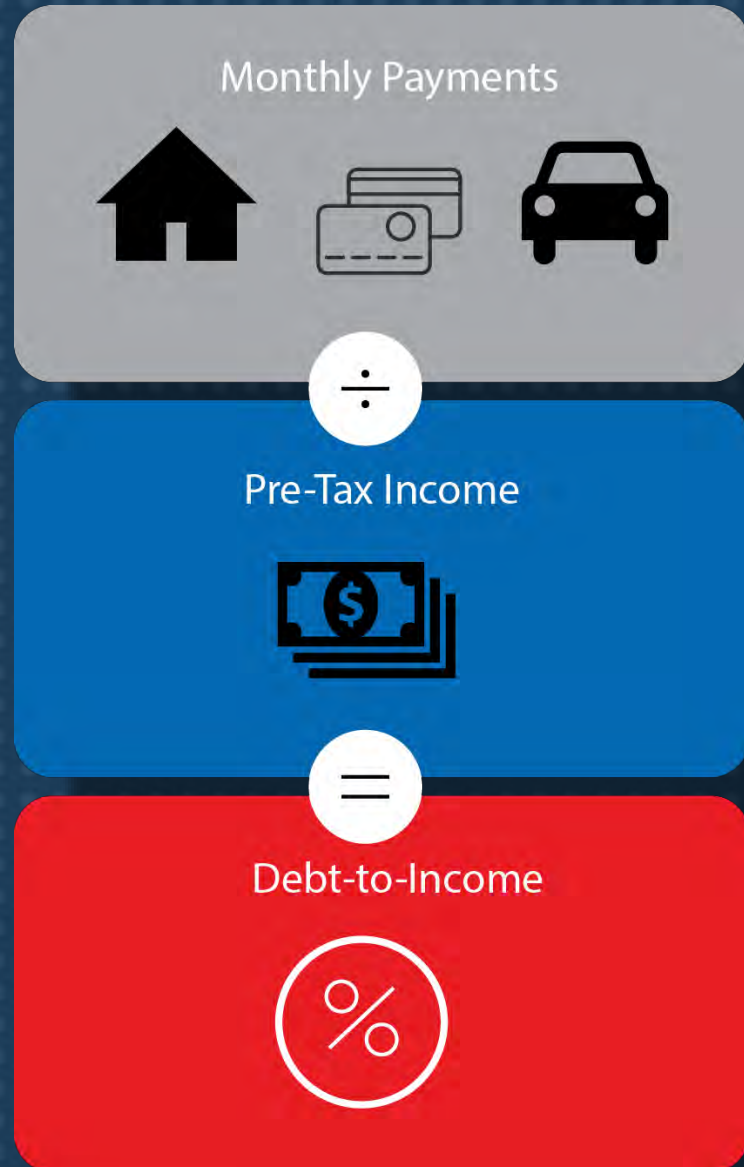
Calculate your debt: determine to whom you own money and the minimum payment due each month, along with the interest rate

SPENDING PLAN UPDATE – DEBT

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



DEBT-TO-INCOME RATIO



Total **MINIMUM** monthly payments
\$2,050
÷

Gross monthly income (pre-taxes)
\$5,308
=

The debt-to-income ratio calculation:

$$2050 \div 5308 = 0.38$$

$$0.38 \times 100 = 38$$

DTI: 38%



DEBT-TO-INCOME (DTI) RATIO

$\leq 33\%$

Acceptable Level of Debt

Less than 33%: Debt at this level is considered manageable by creditors

34% to 49%

Be Cautious About
Accepting More Debt

34% - 49%: Still manageable, but is based on personal financial circumstances; consider ways to lower DTI

$\geq 50\%$

Seek Financial Assistance

Above 50%: Over half of income is going to debt which may limit the amount of credit available

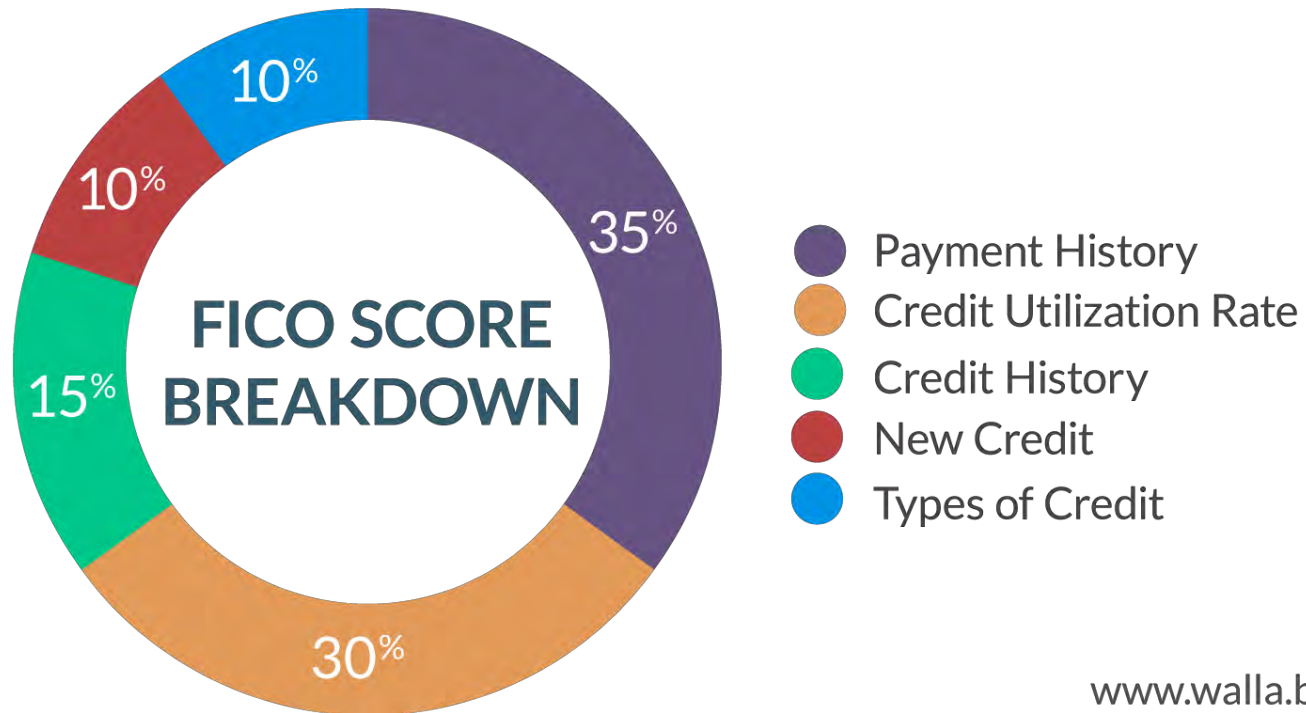
Most
mortgages
(including VA
loans) have a
DTI maximum
of
41-43%

CREDIT SCORES

What is a Credit Score?

- Three-digit number generated by a mathematical algorithm based on information in your credit report
- FICO – Most common
- FICO Range : 300 - 850

FICO SCORE COMPONENTS



www.walla.by

HOW CREDIT SCORE IMPACTS TRANSITION



GOVERNMENT
AGENCIES



CREDITORS



EMPLOYERS



INSURANCE
COMPANIES

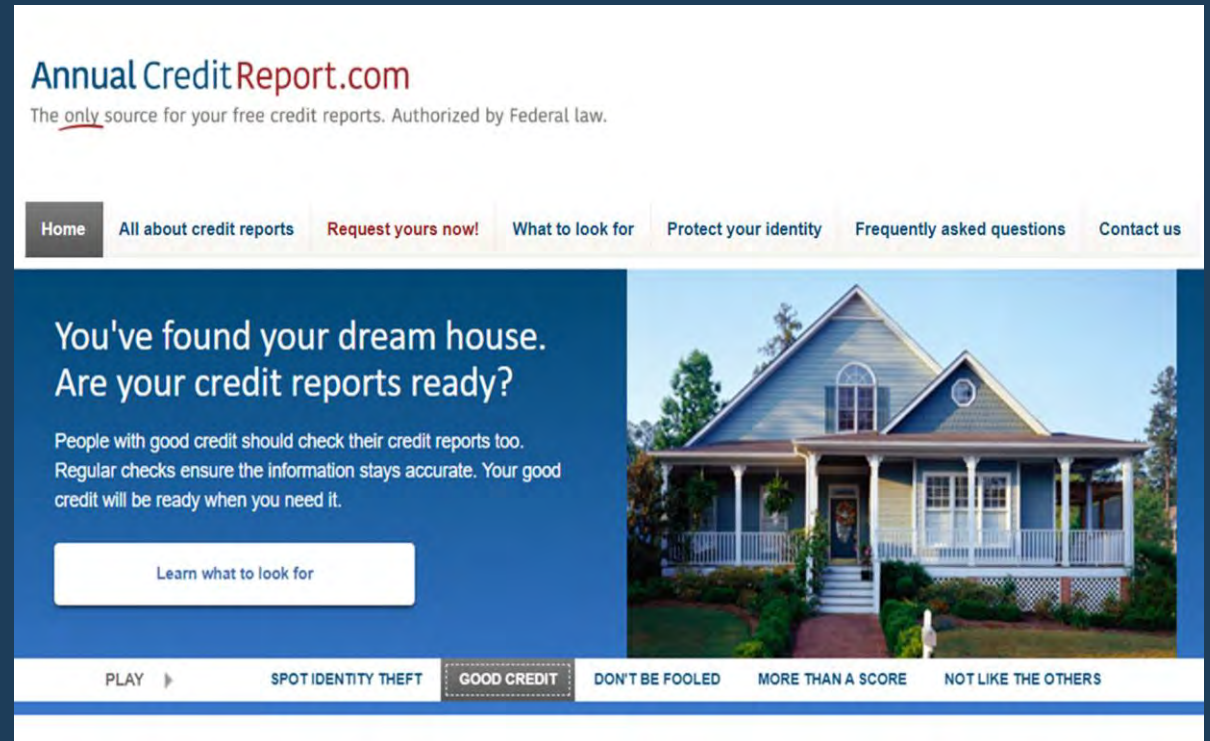


LANDLORDS

ANALYZING YOUR CREDIT REPORT/SCORE

- 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



CORRECTING A REPORT

1

Use online credit report dispute process provided by each of the credit agencies:

- TransUnion
- Experian
- Equifax

2

Use the Federal Trade Commission website for instructions and sample letters: www.consumer.ftc.gov

3

Consumer Financial Protection Bureau (CFPB) can also assist in resolving errors: www.consumerfinance.gov



Credit Report Dispute Form

Found inaccuracies in your report? If so, use this form to contact the credit bureau and request that they correct the information. Simply follow the instructions provided.

Instructions

- 1) Write the name and account number of the creditor in the space provided.
- 2) Write in the reason for your dispute in the Reason for Dispute section.
- 3) Sign and mail to the appropriate credit bureau.

1. Contact Information

Name: _____

Address: _____

City: _____

Social Security Number: _____

2. Dispute Information

Item in Dispute

Creditor: _____

This information is inaccurate because:

- ☐ This is not my account.
- ☐ This account is in bankruptcy.
- ☐ I have paid this account in full.

☐ I have provided this information before.

☐ This information is incorrect.

☐ This information is incomplete.

WAYS TO IMPROVE YOUR CREDIT SCORE



Limit Inquiries



Stay within
Credit Limit



Pay Down
Installment Loans



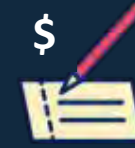
Prompt
Payments



Accounts in
Good Standing



Match credit
to purchase



Ensure Credit
Report is accurate



Set up Auto
Bill Pay



Don't exceed 10%
Credit card use



Use Auto Pay
options for loans



Don't add new
accounts to lower
balances



Apply for new
credit wisely

CREDIT REPAIR/DEBT RELIEF



CREDIT REPAIR



DEBT RELIEF



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



FAIR CREDIT REPORTING ACT

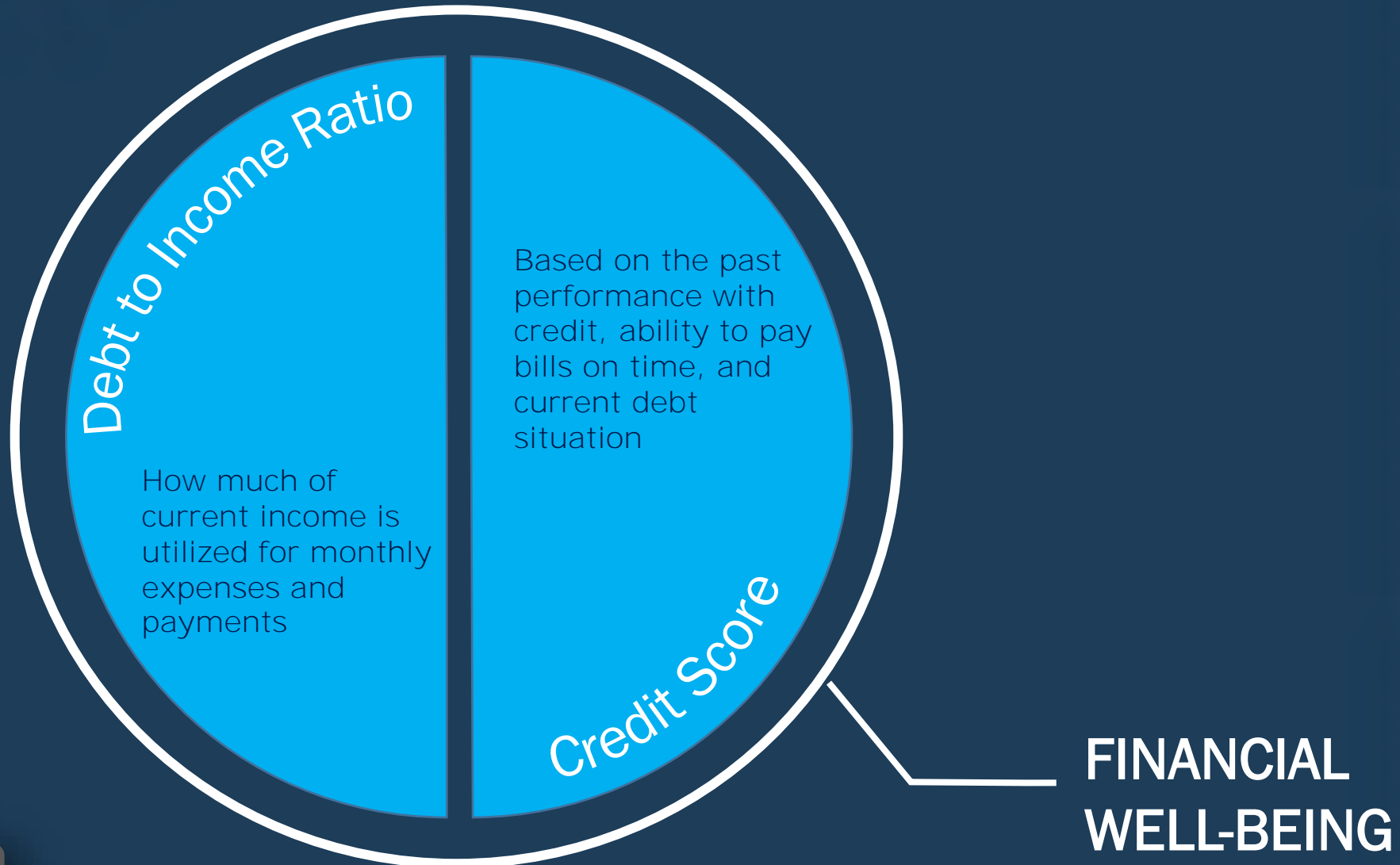
The Fair Credit Reporting Act provides protection to the consumer by regulating the collection, dissemination and use of consumer information

It does this by:

- Giving you the right to know what is in your credit report and given a chance to dispute
- Not having incorrect or outdated information remain on your credit report
- Consent must be given for credit reports to be provided to most
- Ability to seek damages if there is a misuse of the credit report



ASSESS FINANCIAL READINESS



DEBT & CREDIT REVIEW

**Time for
review**



Importance of DTI for credit?



FCRA and your transition?



Two factors affecting your credit score?

ASSETS

LEARNING OBJECTIVES:

- Define assets and calculate value of personal assets
- Calculate net worth as it pertains to assets and evaluating 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



WHAT IS AN **ASSET**?

Items of ownership convertible into cash. Assets are resources of a person or business, such as cash, notes and accounts receivable, securities, inventory, goodwill, fixture, machinery or real estate.

Source: www.dictionary.com

● SAVINGS AND INVESTMENTS

TYPES OF SAVINGS

Savings

Emergency Savings

Goal Savings

INVESTMENTS

Mutual Funds, Stocks, TSP,
IRA, 401k



RETIREMENT PLANS

DEFINED-BENEFIT PLAN

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

Example: Military Retirement Pension

- Funded mostly by the employer
- Employer assumes all responsibility for the payment of the benefit and all the risk on funds invested to pay the benefit
- Considered a type of compensation



RETIREMENT PLANS

DEFINED-CONTRIBUTION PLAN:

The contribution is defined yet the ultimate benefit to be paid is not (e.g., 401(k) and 403(b) plans, TSP, SIMPLE IRA, Roth IRA, SEP, Employee Stock Ownership (ESOP), and profit sharing).

- Contributions are from the employee and are portable
- A portion may/may not be matched by employer
- Each participant has an individual account
- Benefit at retirement depends on amounts contributed + investment performance of account
- Investment risk may rest solely with the employee due to opportunity to choose from several investment options



LEGACY

Eligible:

- * Entered Service before January 1, 2018

Defined-Contribution:

- Calculated using 2.5% multiplied by number of years multiplied by highest 36 months of basic pay
- Available only after 20 years of service

TSP:

- TSP account is available for Service member contribution, but with no government matching contribution



● BLENDED RETIREMENT SYSTEM (BRS)

Combines a defined-benefit plan with a defined contribution plan



Defined-Benefit:

- Calculated using 2% multiplied by number of years
- Available only after 20 years of service

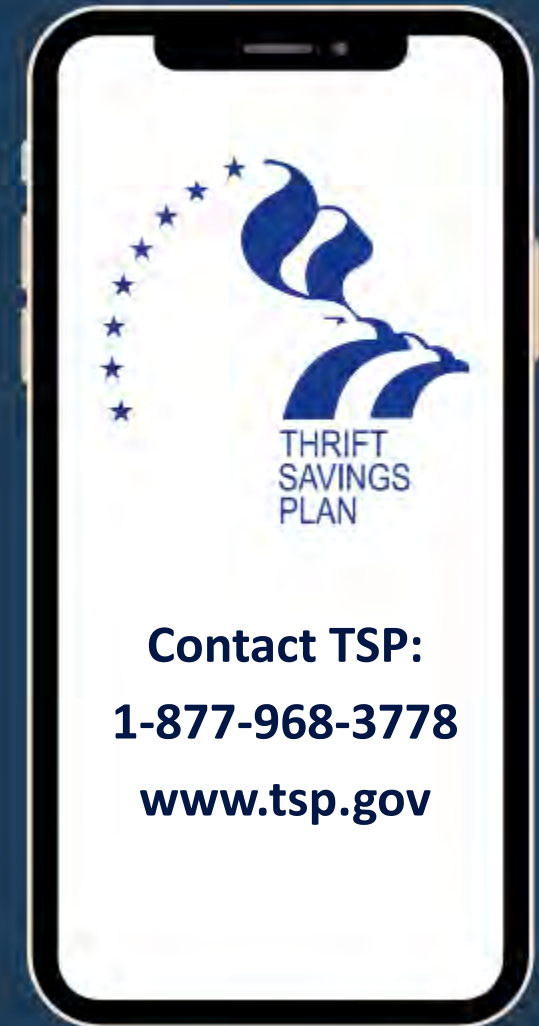
TSP (defined contribution):

- Service member contributes percentage of pay into TSP
- Government contributes matching funds up to 5% into Service member's TSP
- TSP belongs to Service member, even after transition
- Government contributions are vested after 2 years of service

THRIFT SAVINGS PLAN (TSP) OPTIONS

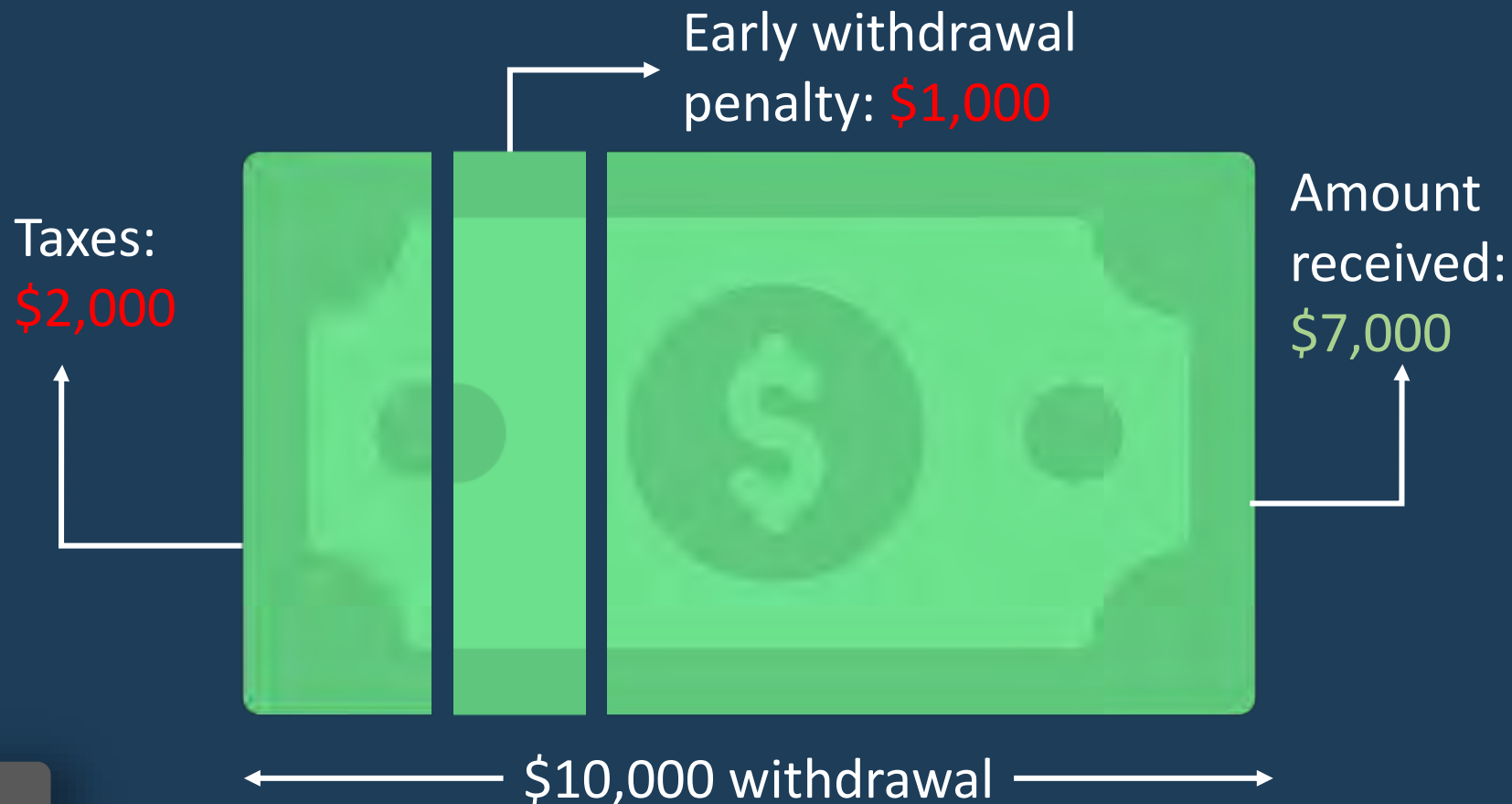
- Leave funds in TSP account (if balance is more than \$200)
- Transfer your TSP into another eligible account (i.e., IRA, civilian 401k)
- Transfer your TSP account into a qualified annuity
- Withdraw your TSP funds completely
- Considerations with TSP BEFORE transition

Some funds may include tax-exempt contributions



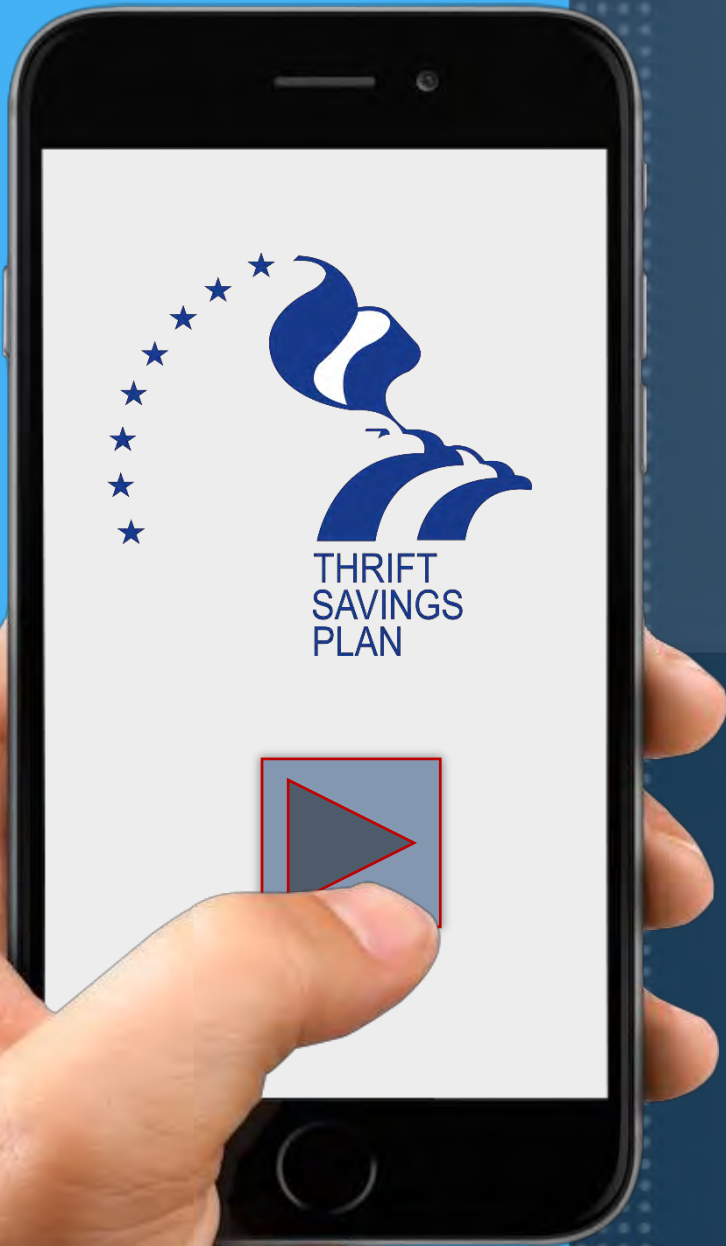
EARLY TSP DISTRIBUTION

Example: A \$10,000 cash out before age 59 ½ could cost \$3,000 in penalties and taxes.




DISCLAIMER:
This is only an EXAMPLE; actual numbers will vary based on federal, state, and local taxes

TSP CONSIDERATIONS for TRANSITION



- *TSP Beneficiaries* – check that your TSP beneficiaries are correct and are aware of the TSP death benefits, account number and how to access.
- *Loans* – loans against the TSP must be paid in full.
- *Update address* – ensure contact information is correct within the DFAS; this is the information used by TSP to contact Veterans.
- *For Guard and Reserve members* – visit the TSP website when they change status for information on USSERA and TSP.



SURVIVOR BENEFIT PLAN (SBP)

The SBP can help ensure loved ones are financially protected in the event of the death of the retiree.

- Eligible survivors will receive a monthly annuity for their lifetime
- Election or decline in the SBP is made prior to retirement
- 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>

SPENDING PLAN UPDATE - ASSETS

- Current cash amount in saving/checking
- Estimate current value of house/home/real estate
- Estimate current value of car, jewelry
- Estimate current value of TSP, mutual funds, stock, bonds, etc.



YOUR NET WORTH



Assets: *What You Own*

Liabilities: *What You Owe*

RESOURCES FOR ESTIMATING NET WORTH:

www.savingsbond.gov

www.zillow.com

www.nada.com

www.tsp.gov

www.myPay.dfas.mil

ESTATE PLANNING



ASSETS REVIEW

**Time for
review**



Asset, liability, net worth?



Defined-contribution and defined-benefit retirement plan?



Estate Plan?

ACTION PLAN

LEARNING OBJECTIVES:

- Create a plan containing next steps in the financial journey to prepare for transition
- Identify ways to decrease debt
- Identify reliable financial resources after transition
- Interpret information to discover possible scams





ACTION PLAN

CURRENT FINANCIAL SITUATION

Current income with BAH, BAS, etc.	
Civilian Equivalent Salary	
Monthly Expenses	
Total Debt	
Debt-to-Income Ratio	
Total Assets	
Net Worth	
NOTES:	



ACTION PLAN

FINANCIAL GOALS

Short-Term Goal:	
Med-Term Goal:	
Long-Term Goal:	
NOTES:	

**Ways to
increase
income:**

**Ways to
decrease
expenses:**

**Ways to
decrease
indebtedness:**

PREPARING FOR TRANSITION

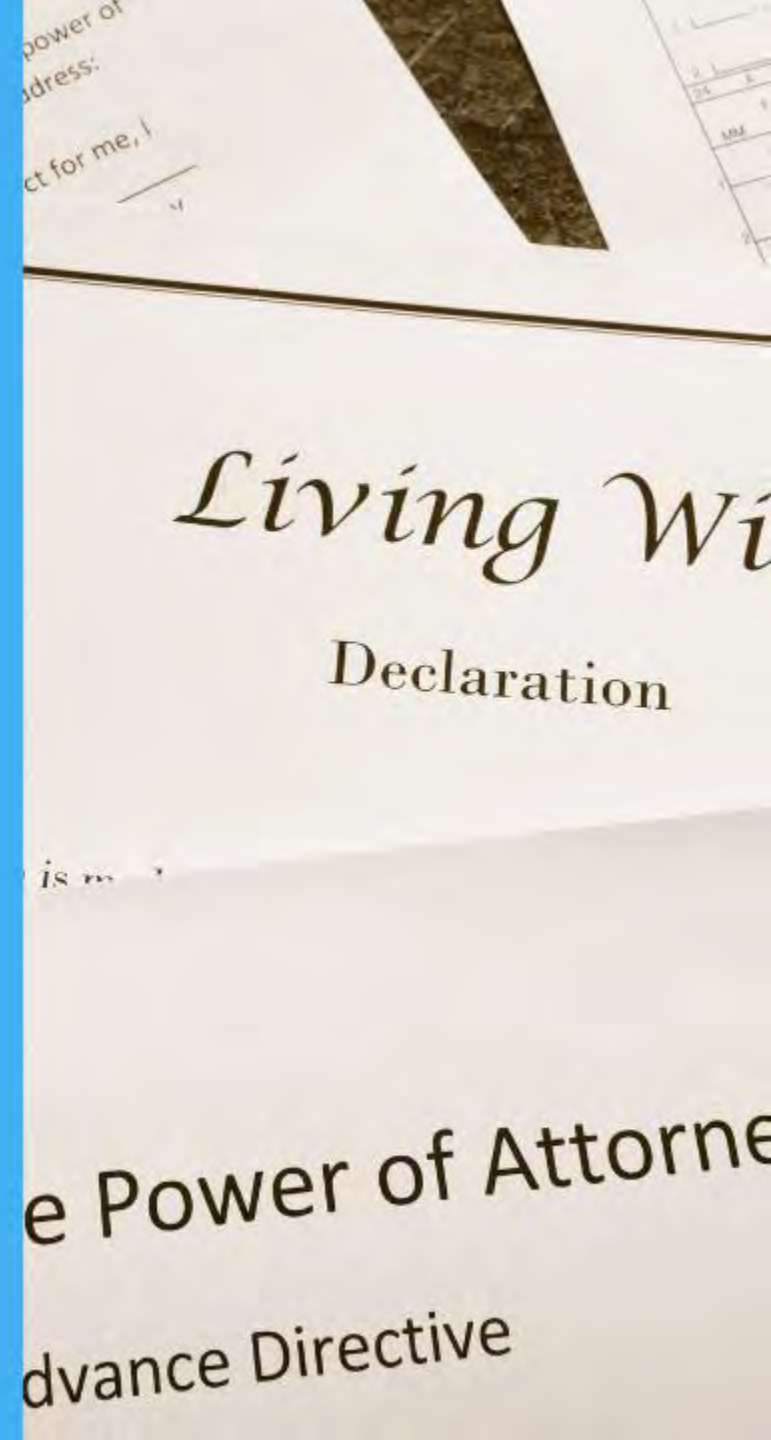
VISIT BASE LEGAL TO UPDATE:

- Will
- Power of Attorney (POA)
- Trusts (as needed)
- Medical directive or medical POA
- Living Will

NO LONGER PROTECTED BY:

- Service Member Civil Relief Act
- Military Lending Act
- IRS – special tax breaks

FRAUDS and SCAMS



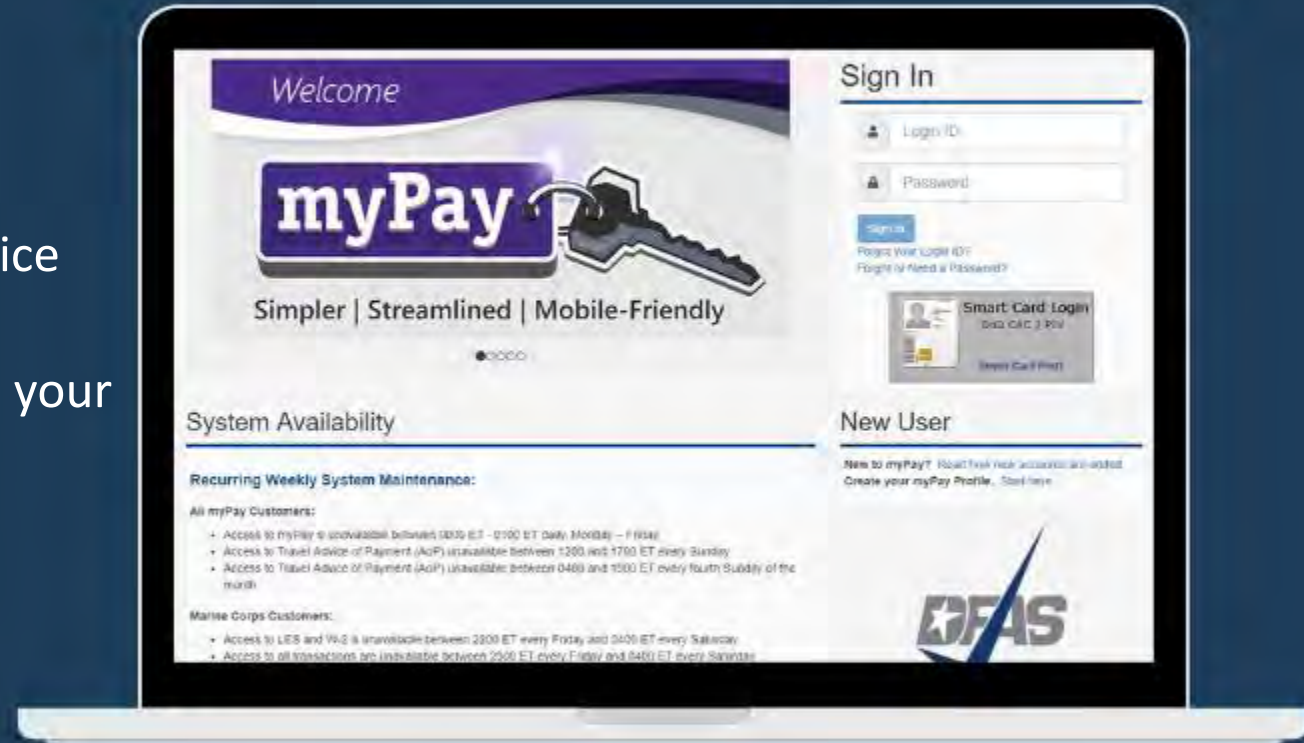
ACCESSING myPAY

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



DIRECT ACCESS



Log in through: www.dcms.uscg.mil

Favorites ▾Main Menu ▾

ORACLE®

Self Service Message ⚙️ ▾

View My Payslip This link will take you to a list of all available payslips to view and/or download.	View/Print My Year End Forms Affirmative consent to receive only an electronic copy of Year-End Tax Forms.
View My 1099R This link will take you to a list of all available 1099R tax documents to view and/or download.	View/Change Mailing Address View and make changes to your mailing address. PPC uses the mailing address to send communications, payroll, and tax documents to you.
View/Change My Phone Numbers Self-service users will use this link to view, add, or update their phones numbers.	Change My EFT/Direct Deposit This link will take you to view and/or change your EFT/Direct Deposit.
Change My Delivery Options This link will allow you to change delivery options for communications.	Change My Voluntary Deductions This link will take you to view, add, change, or stop your voluntary deductions.
View/Change My Email Address This link will take you to view and/or change your email addresses stored in the Retired Payroll system.	Change My Password This link will allow you to change your password and set your Forgot Password security question/answer.
View My Final Pay Beneficiary Self-service users will use this link to view their Final Pay Beneficiaries	Change My Federal & State Tax Review or change your W-4 information.
View/Print ACA Forms View/Print ACA Forms	

PRE-TRANSITION RESOURCES



INSTALLATION RESOURCES

The Personal Financial Management Program (PFMP) is the #1 trusted source for unbiased financial information on Marine Corps installations globally. Our FREE services assist Marines and their families in achieving and sustaining personal financial readiness by providing personal financial education, training, counseling, and financial information and referral. A solid understanding of personal finances will build confidence in facing financial challenges, responsibilities and mission readiness. We assist Marines and commands with financial readiness via one-on-one consultations, group classes, phone and email. All assistance is provided with confidentiality.

Camp Lejeune Financial Counselor (1)

✉ Email: CampLejeune-PFC1@zeiders.com

☎ Phone: (603) 303-2657

Camp Lejeune Financial Counselor (2)

✉ Email: CampLejeune-PFC2@zeiders.com

☎ Phone: (802) 730-5163

Camp Lejeune Financial Counselor (3)

✉ Email: CampLejeune-PFC3@zeiders.com

☎ Phone: (910) 322-9518

Camp Lejeune Financial Counselor (4)

✉ Email: CampLejeune-PFC4@zeiders.com

☎ Phone: (910) 818-6664

Camp Lejeune Personal Financial Management Program

✉ Email: lejpfm@usmc-mccs.org

☎ Phone: (910) 451-3219

MARSOC Financial Counselor

✉ Email: pfc.camplejeune.socom@zeiders.com

☎ Phone: (808) 304-3136

New River Financial Counselor

✉ Email: CampLejeune-PFC5@zeiders.com

☎ Phone: (910) 409-7355

New River Personal Financial Management Program

✉ Email: lejpfm@usmc-mccs.org

☎ Phone: (910) 449-4979

Contact Information

Camp Lejeune Personal Financial Management Program

Bldg. 825 Stone St.
John A. Lejeune Education Center
Camp Lejeune, NC

Phone: (910) 451-3219

Email: lejpfm@usmc-mccs.org

🕒 MCB Camp Lejeune

Sunday	CLOSED
Monday - Friday	7:30AM - 4PM
Saturday	CLOSED
Holidays may vary.	

Contact Information

New River Personal Financial Management Program

Bldg. AS-901, Longstaff St.
Phone: (910) 449-4979

Email: lejpfm@usmc-mccs.org

POST-TRANSITION RESOURCES

MILITARY
ON  SOURCE



 **AMERICAN
FINANCIAL
SOLUTIONS**

American  Job Center®



ACTION PLAN & RESOURCES REVIEW

**Time for
review**



Name one way to increase income, decrease expenses, and decrease debt.



Alternative plan?



Financial assistance?

FINANCIAL PLANNING WRAP UP

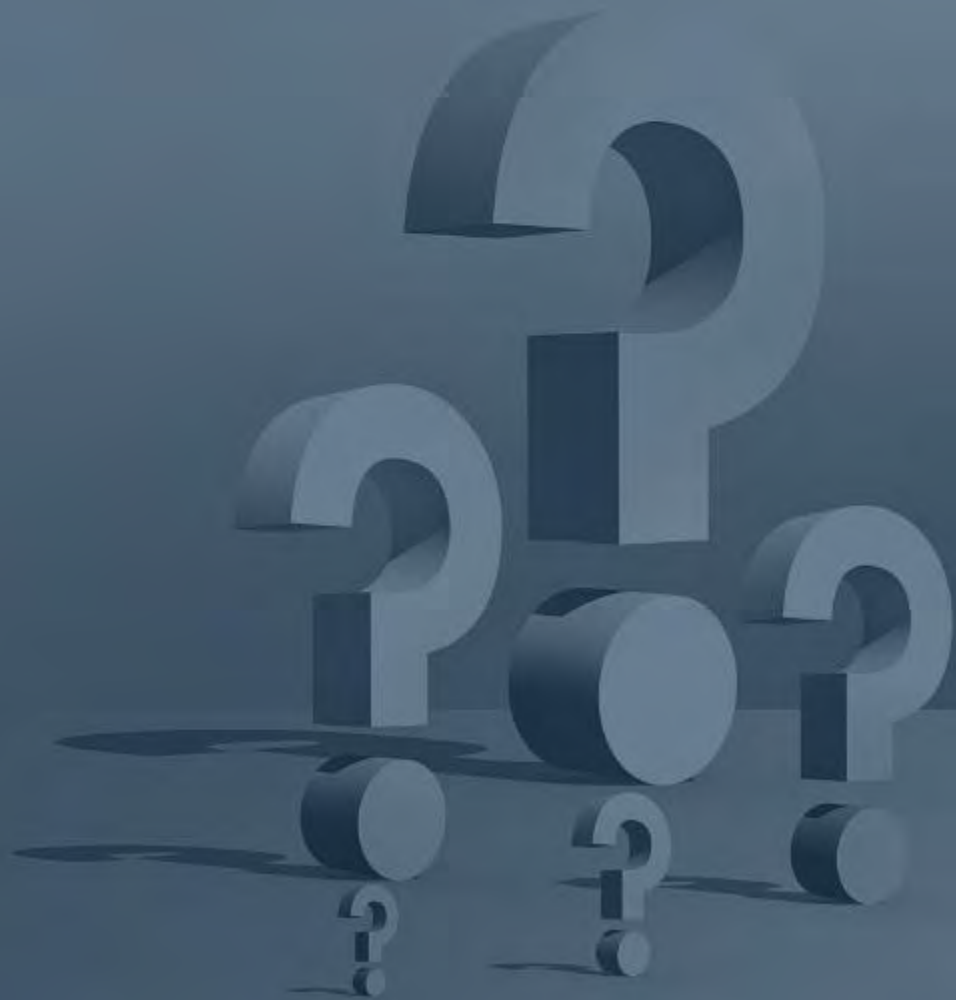
- CRS: Complete a post-separation budget
- Make an appointment with installation financial counselor, if necessary
- Complete the TAP Participant Assessment for Financial Planning for Transition



QUESTIONS?

Reminder:

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



TRANSITION ASSISTANCE PARTICIPANT ASSESSMENT



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

