(NCOFF)
NON-COMMISSIONED OFFICER
FOR FINANCIAL FITNESS
Table of Contents

I. Marine Corps Order 1700.37

II. Military Pay, Allowance and Benefits
   A. Financial Planning Worksheet
   B. Financial Planning Worksheet Example
   C. Understanding Your LES
   D. Military Compensation Checklist

III. Insurance
   A. Life-Cycle Approach to Insurance Needs
   B. Your Insurance Needs: Organizing Your Records
   C. Shopping Tips for Insurance
   D. Survivor Benefit Plan: Basic Questions Answered

IV. Car Buying
   A. Car Buying Resources
   B. Car Sales Tricks of the Trade
   C. The Budget Bottom Line
   D. Debt-To-Income Ratio
   E. Determining Car Payments
   F. Buying vs. Leasing
   G. Car Buying and Leasing Terminology
   H. Installment Sale Contract for Titled Vehicle and Equipment
V. Credit Reports
   A. Credit Reports
   B. Credit — You Got it!
   C. Debt-To-Income Ratio
   D. Equifax Experian TransUnion Annual Credit Report Request Form
   E. Credit Report Analysis
   F. Choosing Credit Cards
   G. FTC Consumer Alert
   H. Laws and Acts for Financial Protection

VI. Investing
   A. Investing Resources
   B. Thinking About Investing
   C. Investing for the Long Haul
   D. Financial Planning Pyramid
   E. Compound Interest and Time
   F. How $100 Can Become $100,000
   G. The Thrift Savings Plan: Wealth-Building Made Easy
   H. G Fund
   I. F Fund
   J. C Fund
   K. S Fund
   L. I Fund
   M. L Funds
Marine Corps
Order 1700.37
MARINE CORPS ORDER 1700.37

From: Commandant of the Marine Corps
To: Distribution List

Subj: PERSONAL FINANCIAL MANAGEMENT PROGRAM (PFMP)

(b) DoD Instruction 1344.09, “Indebtedness of Military Personnel,” December 8, 2008
(c) SECNAVINST 1740.4
(d) SECNAVINST 1754.1B
(e) SECNAVINST 5211.5E
(f) DoD Instruction 6490.06, “Counseling Services for DoD Military, Guard and Reserve, Certain Affiliated Personnel, and Their Family Members,” April 21, 2009, as amended
(g) MARADMIN 061/13, “Personal Financial Management Education Provided by Non-Federal Entities,” 4 February 2013
(h) MCO P1700.27B W/CH1
(j) MCO 5760.4C
(k) SECNAVINST 1740.2E
(l) MCO P1326.6D
(m) MCO P1300.8R
(n) MCO 1740.13C
(o) DoD Instruction 1332.36, "Preseparation Counseling for Military Personnel," February 14, 1994, as amended
(p) MCO 1900.16
(q) SECNAVINST M-5210.1
(r) 5 U.S.C. 552, Privacy Act of 1974, as amended

Encl: (1) Terms and Definitions
(2) Command Financial Specialist (CFS) Qualifications, Functions and Training
(3) Corporal for Financial Fitness (CFF) Qualifications, Functions and Training
(4) Installation/Supporting Facility Personal Financial Management Program Responsibilities, Staffing, Training and Education Standards
(5) Personal and Professional Development Advisor Letter of Designation as Command Financial Specialist
(6) Sample Command Financial Specialist Letter of Designation
(7) Sample Command Financial Specialist Assistant for Personal Finance Letter of Designation
(8) Sample Corporal for Financial Fitness (CFF) Program Letter of Designation

DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited.
1. **Situation.** To publish policies and procedures for the operation of Marine Corps PFMP. To improve mission readiness and support Marines’ personal financial stability. The PFMP provides required and optional training throughout a Marine’s career to enhance personal and career mission readiness.

2. **Mission.** PFMP will provide financial counseling, education, training, and information and referral to Marines and their families in order to increase their financial readiness.

3. **Execution**
   
   a. **Commander’s Intent and Concept of Operations**
      
      (1) **Commander’s Intent**
         
         (a) This Order complies with and conforms to the regulatory requirements stated in references (a) through (r).
         
         (b) PFMP will assist Marines in achieving and sustaining personal financial readiness. The PFMP supports this objective by providing training, education, counseling/coaching, and financial information and referral to Marines and their families to assist them in meeting their financial obligations in a proper and timely manner during a Marine’s career and while preparing for transition.
         
         (c) Commanders shall ensure the program and its policies stated in this Order are supported.
         
         (d) Execution of PFMP training and education is part of the Personal and Professional Development Branch (P&PD) which assists the unit commander with creating, establishing, maintaining, and reinforcing financial readiness.
         
         (e) In accordance with reference (a) the PFMP will implement a Continuum of Learning for Personal Finance. Areas of instruction include, but are not limited to: money management, financial planning, transition/retirement and estate planning, military protections such as Service Members Civil Relief Act and Military Lending Act, security clearances and the financial relationship, and other financial management tools. Limited basic estate and tax education and counseling may be provided with referrals to authorized financial resources for detailed assistance.
         
         (f) Ensure Marines and their families have access to financial tools and a solid understanding of personal finance to build confidence in facing financial challenges and responsibilities.
         
         (g) Ensure all Marines are trained on the policies and practices designed to protect military members.

      (2) **Concept of Operations**
         
         (a) PFMP’s primary focus is a proactive preventive approach to financial education, training, coaching, and financial information and referral to commands, Marines and their families. The PFMP’s secondary focus is intervention with counseling/coaching.
(b) Per references (a), (b), and (c), Marines and the Marine Corps have a mutual responsibility to address personal financial obligations and accountability. Marines have an obligation to discharge their financial obligations in a timely and proper manner and meet the financial needs of their families.

(c) Preventive services include:

1. **Financial Education and Training.** Financial education is the act of educating a Marine on the financial principles and methods that enables a Marine to acquire a set of knowledge, skills and behaviors that allow them to take effective actions regarding current and future use and management of their personal finances. The mandatory financial education, referred to as the Continuum of Learning for Personal Finance, as required by reference (a) and optional workshops and training through the PFMP will increase the financial literacy of Marines and their family members.

2. **Financial Coaching.** Financial coaching continually develops knowledge, skills and behaviors to accomplish personal financial goals.

(d) Intervention services include:

1. **Financial Counseling.** Financial counseling is a review of the current financial situation followed by developed knowledge, skills, and behaviors to support financial management crisis intervention, and a process of creating a plan of action to accomplish personal financial goals. This type of intervention includes command referrals for financial concerns.

2. **Financial Information and Referral.** Provides current personal financial information and resources to clients or appropriate client referral to Authorized Financial Resources.

(e) The PFMP supports readiness, retention, and transition through collaboration with other programs in Marine and Family Programs, Marine Corps Community Service (MCCS), and other Marine Corps units and programs.

(f) The PFMP staff may support requests for age-appropriate classes or seminars to youth and teens as part of their school-age or youth education classes or activities at MCCS on-installation/support facility Youth or Child Development facilities.

(g) Information regarding individuals seeking services must be treated with confidentiality. Ensure careful and sensitive handling of personal information per references (e) and (r). PFMs shall not establish or maintain individual client files in the course of providing PFMP services. PFMs may utilize personal notes, as defined in ref (e), to facilitate follow up requirements. Basic to the provision of services, the PFMP is committed to keeping confidential all information disclosed by clients per reference (d), (e), and (f).
(h) PFMP staff and the CFSs are the primary sources for providing information, referrals, materials, training, and education programs pertaining to personal finance.

(i) PFMP staff, CFSs, Personnel Security Managers, and Staff Judge Advocates (SJAs) are encouraged to coordinate on briefs and issues regarding potential legal concerns such as predatory lending, debt collection/relief, protection acts, congressional efforts, security clearances, and other areas as appropriate.

(j) Marines and families who are receiving support from an MCCS program and whose situation suggests that they would benefit from financial education should receive appropriate referrals for additional counseling/education through the PFMP staff/unit CFS.

(k) Marines and family members not assigned onboard or within a reasonable commuting distance of a Marine Corps installation:

1. May receive assistance through their unit CFS as described in the body of this Order.

2. Are encouraged to obtain financial education (online, classroom-based, or via telephone) by using existing Marine Corps or Authorized Financial Resources as defined in Enclosure (1) and per reference (g).

3. May seek financial education, training, counseling and information and referral through other Service’s PFMP.

4. May, if eligible, request financial training/counseling from resources provided in reference (f).

b. Subordinate Element Missions

(1) Deputy Commandant, Manpower and Reserve Affairs. Establish and maintain a PFMP consistent with the policy and guidance contained in this Order and reference (a).

(2) Chaplain of the Marine Corps (REL)

(a) Advise Deputy Commandant, Manpower and Reserve Affairs (DC, M&RA) on religious ministry matters relevant to both financial education and the free exercise of religion.

(b) Coordinate with the Director of Marine and Family Programs Division (MF) regarding authorized financial education programs offered as a component of religious education.

(3) Director, Marine and Family Programs Division, M&RA

(a) Manage and support the PFMP consistent with policy and program guidance in this Order.
(b) Provide policy oversight and guidance, and develop and propose recommended changes.

(c) Ensure that the PFMP staff within the Personal and Professional Development Branch of MF:

1. Coordinate, as appropriate, PFMP issues with Headquarters, U.S. Marine Corps (HQMC) staff agencies, major commands, DoD agencies, and sister service headquarters.

2. Develop plans, policy, and procedural guidance for the standard operation of the PFMP.

3. Develop and maintain standard PFMP curricula.

4. Provide oversight of prescribed PFM certification and required annual financial education in accordance with reference (a). In conjunction with the installations, determine service required annual financial education for the PFMP staff.

5. Coordinate with MCCS Directors to monitor execution of personnel, budget, and training and program initiatives relative to the PFMP.

6. Develop reporting requirements, program evaluation tools, and measures of effectiveness to ensure effective program implementation to meet a Marine’s financial readiness.

(d) Develop the Continuum of Learning for Personal Finance which identifies the series of financial courses that educate Marines on financial topics at certain touch points of a Marine’s career.

(e) Ensure coordination among all MF programs and other United States Marine Corps (USMC) programs and commands on personal financial education and training.

(f) Create staffing models, establish program performance management criteria and metrics, provide technical expertise, conduct Quality Assurance and assist field in recommending adjustments to personnel staff.

(g) Serve as waiver authority for requests to appoint E-5 personnel as Command Financial Specialist.

(4) Director, Public Affairs

(a) Coordinate with MF to ensure key PFMP themes, program, events, and updates are incorporated into the annual public affairs plan and local command information efforts. Ensure installation PAs accomplish similar coordination with the local PFMP staff.

(b) Coordinate with MF to provide financial awareness and education on economic and consumer concerns through Department of the Navy (DON) and/or Marine Corps internal media.
(c) Coordinate with MF to obtain information and/or provide a subject matter expert as spokesperson when responding to civilian media inquiries pertaining to PFMP.

(5) **Commanding General, Marine Corps Recruiting Command.** Within one year of the publication date of this Order, ensure that each Marine Corps District headquarters has at least one trained and qualified staff non-commissioned officer appointed as a CFS (see enclosure 2). Ensure the CFS provides financial education-related information, resources, and training in accordance to this Order to recruiting stations and sub-stations.

(6) **Commanding General, Training and Education Command**

(a) In coordination with MF, ensure that financial education is delivered throughout a Marine's career.

(b) Ensure that TECOM formal school instructors shall be either a PFMP staff or a CFS (see enclosure 2), an Active Duty Service member with TECOM who has been certified through the Train the Trainer (T3) School and has completed the most current version of Marine Corps Institute (MCI) 3420 and MCI 3422 who is highly encouraged to become a CFS, or an Authorized Financial Resource per reference (c). Other instructors must be approved by MF.

(c) Within one year of the publication date of this Order, ensure that each Marine Corps formal learning center and each Marine Corps School Detachment located at a sister service training activity where the training leads to the assignment of a military occupational specialty has a trained and qualified staff non-commissioned officer appointed as the CFS.

(d) Ensure financial instructors are qualified and authorized staff members per this Order and that the instructor has staff cognizance for personal financial management matters. Financial instructors shall establish and maintain coordination with the designated PFMP point of contact.

(7) **Inspector General of the Marine Corps**

(a) Ensure the PFMP is included during regular and no-notice inspections.

(b) Utilize the Functional Area checklist prepared and maintained by MF as the standard for ensuring compliance with this Order.

(8) **Commanding Generals, Marine Corps Combat Development Command and Marine Corps Installation Command**

(a) Serve as a subordinate command in all matters pertaining to Marine and Family Programs.

(b) Ensure implementation of this order to support Operating Forces, tenant commands, and activities.
(9) **Installation Commanders**

(a) Establish PFMP on each installation as a Warfighter and Family Services Category A Morale, Welfare, and Recreation activity within P&PD.

(b) Actively support and promote the PFMP and events aboard the installation.

1. Ensure PFMP staff or a CFS is included as a speaker at Welcome Aboard Briefs, Command Team Trainings, transition events, pre- and post-deployment briefings.

2. Promote PFMP staff, or a CFS, participation at command-level briefings to raise financial awareness and to keep Marines advised of the latest concerns and assistance available. The event sponsor and the PFMP staff shall work together to determine appropriate financial education for the event and include, at a minimum, information on where to access PFMP information and resources on the installation.

(c) Ensure that the PFMP is provided fiscal, physical (private spaces conducive to counseling for PFMP staff, classroom space for PFMP training workshops, computers and internet), and personnel resources. Ensure provision of appropriate resources and materials to enable the PFMP to perform its required functions of education, training, counseling/coaching, and financial information and referral to the Marines as provided herein.

(d) Ensure that references (i) through (k) are followed in regards to commercial solicitation.

(e) Ensure program administration is carried out by local PFMP staff and Command designated unit CFSs who have successfully completed the USMC or Navy CFS course (see enclosure 2). Where installation resources are not available or insufficient for the needs of a commander, coordinate with the PFMP staff and installation SJA to ensure Authorized Financial Resources are utilized and proper approval is obtained.

(f) May provide non-counseling PFMP services on a space available basis for other authorized MWR patrons per reference (h).

(10) **Installation Assistant Chief of Staff, MCCS or Director, Installation MCCS**

(a) Ensure sufficient fiscal, physical, and personnel resources are provided to carry out the requirements of this Order. Per reference (i), all program cost must be paid by appropriated funds although these funds may be converted to non-appropriated funds (NAF) via the Uniform Funding and Management Practice and spent as NAF.

(b) Ensure a sustainable training and counseling environment by providing the PFMP staff adequate private counseling space, access to classrooms and internet-connected computer labs conducive to supporting Marines and their families in workshops, trainings, Military Saves events,
counseling, and other determined needs that increase knowledge, skills and behavior change.

(c) Ensure individual client files are not being created or maintained by PFMP staff.

(d) Ensure PFMP staff obtains within two years of employment and maintains MF approved—professional certification, per references (a) and (c) and enclosure (4).

1. Ensure Personal and Professional Development Advisors or other MF personnel responsible for conducting basic financial training and education complete CFS training per enclosure (2) prior to providing any financial education.

2. Ensure P&PD Advisors providing individual financial counseling, or advanced financial education obtain and maintain MF-approved certification.

(e) Ensure maximum cooperation and financial resources for PFMP staff to attend the MF selected training for the maintenance of certification, professional training and sharing of best practices. Provide resources for additional MF training in order to maintain current awareness of subject matter relevant to issues facing Marines.

(f) Ensure that system(s) are in place to capture PFMP activity/data/metrics. Ensure accurate metrics are reported to MF using the MF designated method and guidance.

(g) Ensure the PFM staff are the primary installation financial educators for Marines and their families. Where PFM or CFS services are not available the use of Authorized Financial Resources as defined in enclosure (1) is authorized. When services from an Authorized Financial Resource are utilized, a PFM or CFS shall monitor the duration of instruction and ensure references (j) and (k) are enforced.

(h) Ensure that PFMP staff or other trained and designated P&PD Advisors, as defined in enclosure (5), conducting CFS training attends a CFS Train—the—Trainer course at a USMC or Naval installation to become a certified train—the—trainer for the CFS training course within 3 months of hire.

(i) Ensure the CFS training course is provided with sufficient frequency, but at least twice per year. Ensure training records are maintained for at least two years with name, rank/rate, and source command of all Marines who successfully complete the CFS course and provide documentation to the Marine for entry into the Marine’s service record.

(j) Ensure only PFMP/CFS course materials approved by MF are used in all financial training and counseling activities to maintain standardization of training.
(k) Ensure PFMP events, information, or updates are promoted in MCCS advertising and public affairs planning, products, and events.

(l) Convene a PFMP awareness forum/meeting at least semi-annually to discuss PFM issues, per reference (c). At a minimum, the following personnel shall be included and encouraged to attend: Commanders, Senior Enlisted Advisors, Family Readiness Officers, CFS, Command Career Counselors/Career Retention Specialists, or their designated representative. At a minimum, issues directed by MF shall be included on the agenda with other relevant financial awareness issues.

(m) Ensure that PFMP staff position descriptions include responsibilities, training and educational standards per enclosure (4) of this Order.

(n) Commanding Officers (CO), Officer(s)-in-Charge (OICs), Inspectors-Instructors (I&Is), and Detachment Commanders

(a) Promote and encourage financial responsibility and sound financial planning and ensure sufficient fiscal, physical, and personnel resources are provided to carry out the requirements of this Order.

(b) Establish CFS as a command program to address unit financial education and counseling. Commands shall designate a ratio of CFS to Marines per Figure 1. Commands and permanent detachments having fewer than 75 Marines should designate a single trained CFS, or can arrange for another command to provide CFS services by written agreement.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>CFS to Marine Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year of the release of this Order</td>
<td>1 CFS to every 300</td>
</tr>
<tr>
<td>Within 2 years of the release of this Order</td>
<td>1 CFS to every 150</td>
</tr>
<tr>
<td>Within 3 years of the release of this Order</td>
<td>1 CFS to every 75</td>
</tr>
</tbody>
</table>

Figure 1

(c) Ensure a copy of CFS designation from enclosure (6) is provided to the PFM for awareness and Functional Area Inspection.

(d) When more than one CFS is assigned, designate one as the lead CFS and the other as a Command Financial Specialist Assistant (CFSA) for Personal Finances. Use enclosure (7) to designate the CFSA and ensure a copy is provided to the PFM.

(e) Ensure that Marines receive basic personal financial education within three months of arrival at their first permanent duty
station (PDS)/Reserve Training Center (RTC) taught by a PFMP staff or CFS, per reference (a).

(f) Encourage transitioning Marines to complete the Financial Planning for Transition course 12-14 months prior to their End of Active Service (EAS) or Reserve End of Current Contract (RESECC), but no later than 180 days prior to EAS/RESECC. The course is available online or through PFM program classroom instruction at military installations.

(g) In addition to meeting the requirements of the Overseas Duty/Independent Duty Screening Checklists, references (l) and (m), ensure that the debt-to-income ratio for E4 and below deploying overseas does not exceed 30 percent, per reference (c). To calculate, use the monthly debt payments, not including the mortgage on their primary residence, and divide by net monthly income and multiply by 100. For Marines ranked E-5, WO-1, and O-1 and above, ensure they do not have any outstanding or unresolved letters of indebtedness or outstanding returned checks/debits for insufficient funds. Ensure that the Marine completes a financial planning worksheet and the Marine has projected living expenses and debt, entitlements, pay and allowances at the overseas location. Such screenings shall be documented by an administrative remarks page entry into the Marine’s service record.

(h) Upon unit receipt of a bad check or letter of indebtedness on a Marine, it is highly encouraged that the commander refer personnel to the unit CFS or installation PFM for financial counseling and assistance. If neither resource is available, members may be referred to Authorized Financial Resources to preserve financial readiness of the member. The CFS/PFM may coordinate with security managers to ameliorate security clearance issues.

(i) Invite PFMP staff or a CFS to present briefings or training where personal finance will be discussed including but not limited to topics such as: understanding the LES, financial allowances/benefits, investments, insurance, savings, consumer awareness, Service member’s protections, auto purchases, financial planning for deployments, etc. As required, the supporting Installation Personnel Administration Center/I&I administrator and SJA may give briefings on matters of pay and allowances or legal issues, respectively.

(j) Ensure the PFMP is implemented and maintained in all subordinate commands.

(k) Establish support of the PFMP, CFS, and CFF services and initiatives and provide time for a Marine to attend financial education courses throughout their career.

(l) Ensure PFMP information, themes, and events are distributed to Marines and families.

(m) Encourage qualified Marines to consider becoming a CFF, a designation that provides optional support at the unit command level (see enclosures 3 and 8). The CFF will be a trained corporal who will provide peer-to-peer influence to increase importance of personal finances and
awareness of Authorized Financial Resources and programs available as part of financial fitness bridging the gap between generations.

4. Administration and Logistics

   a. The currency, accuracy, and completeness of publication and distribution of this Order, and changes thereto, are the responsibility of CMC (MF).

   b. Submit recommendations for changes to this Order to CMC (HF) via the appropriate chain of command.

   c. Records created as a result of this Order shall be managed according to National Archives and Records Administration approved dispositions per reference (q) to ensure proper maintenance, use, accessibility and preservation, regardless of format or medium.

   d. The generation, collection, or distribution of personally identifiable information (PII) and management of privacy sensitive information shall be in accordance with the Privacy Act of 1974, as amended, per references (e) and (r). Any unauthorized review, use, disclosure or distribution is prohibited.

5. Command and Signal

   a. Command. This Order is applicable to the Marine Corps Total Force.

   b. Signal. This Order is effective on the date signed.

   [Signature]

   Deputy Commandant for Manpower and Reserve Affairs
   Acting

DISTRIBUTION: PCN 10202322400
LOCATOR SHEET

Subj: PERSONAL FINANCIAL MANAGEMENT PROGRAM (PFMP)

Location: (Indicate the location(s) of the copy(ies) of this Order)
RECORD OF CHANGES

Log completed change action as indicated.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TERMS AND DEFINITIONS

**Authorized Financial Resources.** USMC and sister service’s PFMs, Navy and USMC certified CFPS, installation financial institutions, and government agencies. Government agencies/programs such as Military OneSource, Personal Financial Counselors with the Office of the Secretary of Defense Military Family Life Counselors program and other federal, state and local government agencies. In addition, Non-Federal entities (NFE) that are tax exempt and have obtained a Letter of Agreement either through the Assistant Secretary of the Navy, Manpower and Reserve Affairs (ASN(M&RA)) or the ASN(M&RA)’s approved designee or a Memorandum of Understanding from the Office of the Deputy Assistant Secretary of Defense, Military Community and Family Policy. A Memorandum of Understanding from DC (M&RA)/MF must be obtained after obtaining the Letter of Agreement if providing services to more than one Marine Corps installation. The NFE must then be invited by the Installation Commander. A current list of authorized resources is retained on the Personal and Professional Development Section of the USMC M&RA website (www.manpower.usmc.mil).

**Basic Financial Education.** Basic information such as money management, car buying, insurance, consumer awareness, wills and powers of attorney, transition/retirement, and information on how to evaluate and select assistance with in-depth financial planning needs.

**Basic Understanding of Personal Finance.** Comprehension of the underlying principles of the personal finance in order to apply them to everyday life situations.

**Continuum of Learning for Personal Finance.** A series of financial courses that educate Marines on financial topics at certain touch points of a Marine’s career.

**Extended Absence Financial Plan.** A plan developed by a Marine prior to deployment, specifying the following for the period of the absence: legal power of attorney to accomplish personal and financial requirements, plan for covering financial obligations, disposition of car and auto insurance, allotments for appropriate monthly expenditures, and disposition of other financial issues that might occur during the period of absence.

**Financial Education.** The act of educating a Marine on the principles and methods that enable a Marine to acquire a set of skills, knowledge and behaviors that allow them to take effective actions regarding current and future use and management of their personal finances.

**Financial Counseling.** One on one assistance in the evaluation of an individual’s or family’s income and expenditures and recommending short and long-term actions to achieve financial goals and ensure individual, family, and mission readiness.
**Personal Financial Management.** The process (or steps) involved in managing one’s personal finances, including income, expenses, credit, debt, savings, and investments for an individual or family.

**Personal Financial Readiness.** Adequately preparing for the management of personal responsibilities prior to departure on an extended absence, including: family matters and potential family contingencies; personal finances; personal property; and other personal obligations that can and do arise during one’s career lifecycle. Also include prudent day-to-day management of personal finances, including financial planning (budgeting), saving and investing (including Thrift Saving Plan), consumer awareness and credit management. Considerations include career and transition planning, family member employment, and relocation entitlements and expenses.
1. Qualifications of the Command Financial Specialist (CFS). The CFS shall function as the command’s principal advisor on policies and matters related to financial education. The following qualifications apply:

   a. Per reference (a) military members in the rank of E-6, and above shall be appointed a CFS upon approval of the application and completion of the CFS Course as designated on enclosure (6). The Director, Marine and Family Programs Division (MF), HQMC, is the waiver authority for commands seeking to appoint a CFS at the E-5 level. Waivers will not be granted below E-5. Enclosure (7) is the designation for the CFSA for Personal Finance. Requests shall contain, at a minimum:

      (1) Command rank demographics (e.g., indicating the absence of senior personnel meeting established criteria).

      (2) Description of the designated member’s qualifications.

   b. Be highly motivated, financially stable, meet the financial overseas screening standards (paragraph 2k below) and have no record of Letters of Indebtedness (LOI) or non-sufficient funds (NSF) or non-judicial punishment (NJP) or poor performance counseling above the rank of LCpl. For assistance with the CFS screening process, COs may seek assistance from the PFMP staff. Screening shall be completed prior to training.

   c. Successfully complete the approved CFS course and be command endorsed.

   d. Have at least one year remaining at the command at time of CFS course completion.

   e. Successfully completed the Leading Marines course and the current MCI 3420 and 3422 Personal Financial Management courses.

   f. Participate in continuing education including, but not limited to, periodic CFS forums and attend the CFS refresher training at least every three years.

2. Functions of the CFS. At the completion of CFS training, the CFS shall be able to perform the following functions:

   a. Assist Marines with basic financial concerns, assist in educating the Marines through briefings/trainings and the initial coaching/counseling as needed.

   b. Coordinate with the PFMP staff on financial matters, education, training, updates, and counseling. Ensure that only Authorized Financial Resources present financial education to the Marines.

   c. Refer a Marine or family member to the PFMP staff or the appropriate authorized financial resource for additional financial education/training, counseling/coaching, or financial information and referral. The CFS may
maintain contact with referred individuals and the resource/counseling agency to monitor progress.

d. Assist the command to establish, organize, and administer the command PFMP including a thorough turnover to a new incoming CFS and update to the PFM staff.

e. Disseminate financial management information within the command and ensure Marines and their families are briefed on PFMP and training opportunities, and encourage Marines and their families to proactively utilize PFMP.

f. Present financial education training as part of the command general military training program and provide financial education training to individuals and elements within the command as requested or required.

g. Maintain confidentiality.

h. Update PFMP staff with overall financial trends or metrics in the commands so the PFMP can adjust training to meet the needs of the Marines.

i. Per reference (a), assess Marines’ basic understanding of personal finance within three months of arrival at their first PDS/RTC by ensuring they attend the first PDS/RTC financial education course. Determine the Marine’s ability to demonstrate a basic understanding of pay and entitlements, banking and allotments, checkbook management, budgeting and saving (to include the thrift savings plan), insurance, credit management, car buying, Permanent Change of Station (PCS) moves, and ability to know where to obtain assistance on financial counseling will be assessed.

j. Assist as required or appropriate in development of Extended Absence Financial Plans prior to any deployment in accordance with reference (a), Family Care Plans required by reference (n) and pre-separation and retirement counseling per references (o) and (p).

k. Complete personal finance screening checklist prior to overseas/special duty assignments/independent duty orders as needed for members of the command per reference (c), (l) and (m). In the absence of a CFS, or in a complicated case, the PFMP staff may perform the screenings.

l. Provide information to clients on the projected living expenses at the overseas location and on the need for the member to fully understand their expenses, entitlements, and pay and allowance changes related to the PCS move.

m. Ensure CFS files relating to the operation and administration of financial personal affairs matters and training are maintained and destroyed per SSIC 1700 of reference (e) and reference (q).

n. Participate in the PFMP awareness forum/meeting at least semi-annually to discuss PFM issues, per paragraph 3b(10)(l) of this Order.

o. If not on a Marine Corps installation, organize at least semi-
annually, a PFMP awareness forum/meeting with, at a minimum, the following personnel, as appropriate: Commanders, Senior Enlisted Advisors, Family Readiness Officers, CFS, Command Career Counselors/Career Retention Specialists, or their designated representative. At a minimum, issues directed by MF shall be included on the agenda with other relevant financial awareness issues.

3. Appointment as a CFS remains in effect until rescinded in writing or three years after CFS course completion. Refresher training must be completed and documented to extend CFS appointment more than three years beyond CFS course completion.

4. CFS shall notify the PFM of any change in status or duty location to ensure local requirements of this Order are maintained.
Today’s young Marines may make financial decisions based largely on peer recommendations. The CFFs will be a trained Corporal who will provide peer-to-peer influence. They will support the PFMP staff and CFS by performing outreach to target Marines in the ranks of E1-E4 to increase the awareness of the authorized services and programs available to young Marines and why financial fitness is part of mission readiness. The CFF will not provide financial counseling or training.

1. Qualifications of the Corporal for Financial Fitness (CFF). The CFF shall function as the command’s financial fitness on peer-to-peer influence and support the CFS. The following qualifications apply:


   b. Be a volunteer.

   c. Be command endorsed.

   d. Have no record of NJP or poor performance counseling above the rank of LCpl.

   e. Successfully complete the Leading Marines course and the current MCI 3420 and 3422 Personal Financial Management course.

   f. Meet Marine Corps physical fitness standards.

   g. Have a record of financial stability as indicated by completion of a financial planning worksheet, with a Debt-to-Income Ratio that does not exceed 30 percent, and no record of LOI or NSF. For assistance with the CFF screening process, COs may refer to the CFS or PFMP staff for guidance. Screening shall be completed prior to training.

   h. Have a successful interview with PFMP staff.

   i. Be goal-oriented and motivated with good oral and presentation skills.

   j. Have received a Standards of Conduct rating of at least 4.0 and Standards of Proficiency rating of at least 4.0 on their most recent performance evaluation.

   k. Have at least one year remaining at the command at time of CFF course completion.

2. Letter of Designation. The Letter of Designation must include certification to the above qualifications and will be considered conditional until the military member completes the CFF Course or the Navy CFS-E4 program.

3. Functions of the CFF. At the completion of formal training, the CFF shall be able to perform the following functions:
4. Training
   a. Complete the 16-hour CFF Course.
   b. Participate in continuing PFMP workshops as available.
INSTALLATION/SUPPORTING FACILITY PERSONAL FINANCIAL MANAGEMENT PROGRAM (PFMP) RESPONSIBILITIES, TRAINING AND EDUCATION STANDARDS

1. Responsibilities of PFM Staff

   a. Provide practical, engaging, and active financial education/training, counseling, information, referral, and consumer information to Marines and their family on personal financial issues. Method of instruction should take into consideration the learning methods of the client’s generation.

   b. Maintain contact with the CFSs and assist local commands and unit CFSs by serving as the primary resource in delivering the standardized curriculum, updated information, and pertinent information and marketing practices prevalent at that installation/supporting facility and in the vicinity.

   c. Maintain confidentiality concerning Marines seeking PFMP services. Advise prospective clients that confidentiality is limited when there are concerns regarding criminal activity.

   d. Ensure individual client files are neither created nor maintained. Ensure all documents are handled in accordance with references (e), (g), and (r).

   e. Maintain liaison with installation financial institutions, installation bank liaison, and Authorized Financial Resources.

   f. Conduct a CFS Train-the-Trainer course of instruction at least twice annually, or as needed to meet the CFS mission requirements in Figure 1 of this order using the CFS Instructor Guide and the CFS Training Manual. Conduct periodic CFS forums and refresher training for certified CFSs to maintain their designation. Trained and CFS certified P&PD Advisors may contribute in this training.

   g. Conduct a CFF course of instruction for Corporal Enlisted Leadership at least twice annually, preferably quarterly. Conduct periodic CFF forums and encourage additional workshops for the CFF to attend. Trained P&PD Advisors and CFSs may contribute in this training.

   h. Conduct Financial Planning for Transition course and Continuum of Learning for Personal Finance as required to meet the needs of Marines and service members. Trained P&PD Advisors may contribute in this training.

   i. Conduct basic financial education to be completed by Marines within three months of arriving at their first PDS/RTC at a frequency required to meet the needs of these Marines. Trained P&PD Advisors and CFSs may contribute in this training.

   j. Ensure that government funded financial resource books, references, and training materials for use in general military training, divisional training, workshops/trainings, and counseling purchased through MF is maintained in PFM office.
k. Support age-appropriate classes or seminars for youth and teens as part of their school-age or youth education classes or activities at MCCS on-base Children, Youth and Teen Program activities.

l. Collaborate with military units such as Wounded Warrior Regiment and Marine and Family Programs such as, but not limited, to Transition Readiness, Family Member Employment, Voluntary Education and Vocational Programs, Relocation Assistance, Marine Corps Family Team Building, Exceptional Family Member Program, Family Readiness, Behavioral Health, Children Youth and Teen as well as Semper Fit’s Single Marine Program and other personal and family support programs and ensure financial education is being provided and presented by authorized financial resources.

m. Report PFMP utilization metrics via the designated MF-directed reporting method. Metrics will be used by MF to compile data for P&P internal reporting requirements, and to drive program resource decisions and program development.

2. PFM Staff Training and Education Standards. PFMs assigned to provide financial education services at Marine Corps Installations/supporting facilities shall, at a minimum:

a. Prior to their assignment, possess a minimum of a baccalaureate degree preferably related to personal finance from a college or university accredited by a regional accrediting body recognized by Department of Education, and preferably a master’s degree, or a combination of financial education and experience which prepares them to serve as a Personal Financial Management counselor. Their previous qualifications in financial education, training, or experience, must qualify them to provide financial counseling.

b. Within three months of hire date, successfully complete the CFS course.

c. Obtain and maintain MF-approved financial counselor certification per references (a) and (c) within two years of hire date.

d. Attend professional continuing education on personal financial management to include MF-designated annual training and attendance at PFMP related educational events to meet the needs of the Marine Corps.

e. Become familiar with references contained within this Order.
PERSONAL AND PROFESSIONAL DEVELOPMENT ADVISOR LETTER
OF DESIGNATION AS COMMAND FINANCIAL SPECIALIST FOR
OFFICIAL USE ONLY (When Filled In)

From: Marine and Family Services Director or MCCS Director
To: Job Title, First and Last Name

Subj: PERSONAL & PROFESSIONAL DEVELOPMENT BRANCH ADVISOR CONDITIONAL
APPOINTMENT AS COMMAND FINANCIAL SPECIALIST

Ref: (a) MCO 1700.37
(b) SECNAVINST 1740.4

1. Per references (a) and (b), upon completion of the Command Financial
Specialist Train-the-Trainer course you will receive your CFS Trainer
certification. Certification qualifies you to instruct the financial portion
of the Transition Readiness Seminar, basic financial education taught in the
CFS and the Continuum of Learning for Personal Finance, and consistent with
instructor assignments in enclosure (2) of reference (a). You will
familiarize yourself with policies, procedures and references from reference
(a) and (b) in the performance of your duties.

2. In your capacity as a certified CFS P&PD Advisor, work closely with the
PFM staff in matters related to financial education. Complete the
information requested below and forward as indicated.

3. This designation remains in effect until rescinded in writing. Inform
PFMP staff of any relinquishment of the position or transfer.

(Signature)

Date
From: Job Title, First and Last Name
To: Marine and Family Services Director or MCCS Director
Date of Successful Completion:
E-Mail Address and phone number:

I accept the duties of supporting the PFMP per this Order.

(Signature)

Copy to: PFM
SAMPLE COMMAND FINANCIAL SPECIALIST LETTER OF DESIGNATION
FOR OFFICIAL USE ONLY (When Filled In)

From: Commanding Officer (CO)/Officer in Charge (OIC)
To: Rate/Rank, First and Last Name

Subj: DESIGNATION AS COMMAND FINANCIAL SPECIALIST (CFS)

Ref: (a) MCO 1700.37
(b) SECNAVINST 1740.4

1. You will be designated as the (Command Name) CFS upon completion of the Command Financial Specialist Course per reference (a) and (b). You will familiarize yourself with policies, procedures and references of reference (a) and (b) and other applicable Personal Financial Management Program elements in the performance of your duties.

2. In your capacity as CFS, you will report directly to the CO/OIC or their representative. Complete the information requested below and forward as indicated.

3. This designation remains in effect until rescinded in writing.

(Signature)

Date
From: Rank, First and Last Name
To: Commanding Officer/Officer in Charge
Date of Designation:
Date Completed CFS Course:
E-Mail Address: Phone Number:

I accept the designation of ________ (command name) CFS.

(Member signature)

Copy to: PFM
From: Commanding Officer (CO)/Officer in Charge (OIC)
To: Rate/Rank, and Name

Subj: DESIGNATION AS COMMAND FINANCIAL SPECIALIST ASSISTANT (CFSA)

Ref: (a) MCO 1700.37
     (b) SECNAVINST 1740.4

1. You will be designated as the (Command Name) CFSA upon completion of the Command Financial Specialist Course per reference (a) and (b). You will familiarize yourself with policies, procedures and references of reference (a) and (b) and other applicable Personal Financial Management Program elements in the performance of your duties.

2. In your capacity as CFSA, you will report directly to the CO/OIC and CFS or their representative. Complete the information requested below and forward as indicated. This designation remains in effect until rescinded in writing.

Signature

Name/Rank: Waiver Granted: ____
Date of Designation:
Date Completed CFS Course:
Global E-Mail Address:
DSN Phone Number:
Location of Servicing Family Center:

I accept the designation of (Command Name) CFSA Assistant for Personal Finances.

Member Signature

Copy to: PFM
From: Commanding Officer (CO)/Officer in Charge (OIC)
To: Rate/Rank, First and Last Name

Subj: DESIGNATION AS CORPORAL FOR FINANCIAL FITNESS (CFF)

Ref: (a) MCO 1700.37
     (b) SECNAVINST 1740.4

1. The Personal Financial Management Program (PFMP) staff and CO/OIC have confirmed that you meet the qualifications per reference (a) as a CFF, including that you are volunteering to serve as CFF.

2. You will be designated as the (Command Name) CFF upon completion of the CFF course. You will familiarize yourself with the policies and procedures of references (a) and (b) and other applicable PFMP elements in the performance of your duties.

3. As it relates to unit financial education matters you will report directly to the command’s CFS. Complete the information requested below and forward as indicated.

4. This designation remains in effect until rescinded in writing.

(Signature)

Date
From: Rank, First and Last Name
To: Commanding Officer/Officer in Charge
Date of Designation and completion of CFF course:
E-Mail Address: Phone Number:

I accept the designation of ________ (command name) CFF.

(Signature)

Copy to: PFM and command CFS
Military Pay, Allowances and Benefits
# Financial Planning Worksheet

**STATEMENT OF NET WORTH**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>Signature Loans</td>
</tr>
<tr>
<td>Checking accounts</td>
<td>Auto Loans or Leases</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>Consolidation Loans</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>Student Loans</td>
</tr>
<tr>
<td>Cash value of Life Insurance</td>
<td>NEX/AAFES (Star Card)</td>
</tr>
<tr>
<td>U.S. Savings Bonds</td>
<td>Department Store Credit Cards</td>
</tr>
<tr>
<td>Mutual Funds/Money Market</td>
<td>Other Credit Cards</td>
</tr>
<tr>
<td>Stocks/Bonds</td>
<td>NMCRS (Loan)</td>
</tr>
<tr>
<td>College Funds</td>
<td>Other (Friends, Relatives, etc.)</td>
</tr>
<tr>
<td>401(k)/403(b)/TSP</td>
<td>Advance/Over Payments</td>
</tr>
<tr>
<td>Other (IRAs, etc.)</td>
<td>Mortgages-Balances Due</td>
</tr>
<tr>
<td><strong>Real Estate (Market Value)</strong></td>
<td>Home</td>
</tr>
<tr>
<td>Home</td>
<td>Rental Property</td>
</tr>
<tr>
<td>Rental Property</td>
<td>Other (Vac Home/Trailer/Time Share)</td>
</tr>
<tr>
<td>Other (Vac Home/Trailer/Time Share)</td>
<td><strong>TOTAL ASSETS</strong></td>
</tr>
<tr>
<td><strong>Personal Property</strong></td>
<td><strong>TOTAL LIABILITIES</strong></td>
</tr>
<tr>
<td>Vehicles/Motorcycles/Boats</td>
<td><strong>NET WORTH</strong></td>
</tr>
<tr>
<td>Furniture</td>
<td>(Assets - Liabilities)</td>
</tr>
<tr>
<td>Jewelry</td>
<td><strong>$ __________</strong></td>
</tr>
<tr>
<td>Other (Collectibles, etc.)</td>
<td><strong>$ __________</strong></td>
</tr>
<tr>
<td>Counseling Provided By:</td>
<td><strong>$ __________</strong></td>
</tr>
<tr>
<td>Counselor Phone #:</td>
<td><strong>$ __________</strong></td>
</tr>
<tr>
<td>Appointment Date:</td>
<td><strong>$ __________</strong></td>
</tr>
<tr>
<td>Place:</td>
<td><strong>$ __________</strong></td>
</tr>
</tbody>
</table>

Date __________________________ SSN __________________________ Rate __________________________

Name ____________________________________________________ Age __________________________

Pay Grade __________________________ Yrs. in Svc. __________________________

Date Reported/PRD (Transfer) ____________________________________________

Marital Status __________________________ Spouse’s Name __________________________ Age __________________________

Spouse’s Place of Employment ____________________________________________

Number of Children and Ages ____________________________________________

Home Address ____________________________________________

Work Telephone __________________________ Home Telephone __________________________

Command & Referred By (Self, CMD, NMCRS, FFSC, etc.) __________________________

Amount of SGLI Elected __________________________ Amount of FSGLI Elected __________________________

TSP Monthly Contribution __________________________ MGIB Monthly Contribution __________________________

**TOTAL ASSETS** __________________________

**TOTAL LIABILITIES** __________________________

**NET WORTH** (Assets - Liabilities) __________________________
**MONTHLY INCOME**

<table>
<thead>
<tr>
<th>ENTITLEMENTS</th>
<th>ACTUAL</th>
<th>PROJECTED</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Base Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Allowance for Housing (BAH I or II)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas Housing Allowance (OHA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Allowance for Subsistence (BAS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Separation Allowance (FSA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Flight Pay/Diving Pay/Flight Deck Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Submarine Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Other Hazardous Duty Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Sea Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxable COLA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (tax exempt/allowance eg. COLA/FSSA)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL MILITARY COMPENSATION (A)**

* Taxable pay ( )

Excludes pretax ded for TSP/MGIB

<table>
<thead>
<tr>
<th>DEDUCTIONS</th>
<th>ACTUAL</th>
<th>PROJECTED</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meal Collection Deduction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family SGLI (For Spouses)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGLI and T-SGLI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uniform Services TSP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MGIB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FITW Filing Status Actual:</td>
<td></td>
<td>Proj. Status:</td>
<td></td>
</tr>
<tr>
<td>FICA (Social Security)</td>
<td></td>
<td>Base Pay Only, Excludes MGIB</td>
<td></td>
</tr>
<tr>
<td>FICA (Medicare)</td>
<td></td>
<td>Base Pay Only, Excludes MGIB</td>
<td></td>
</tr>
<tr>
<td>State Income Tax</td>
<td></td>
<td>State Claimed:</td>
<td></td>
</tr>
<tr>
<td>AFRH (Armed Forces Retirement Home)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tricare Dental Plan (TDP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Payments</td>
<td></td>
<td>Ends:</td>
<td></td>
</tr>
<tr>
<td>Over Payments</td>
<td></td>
<td>Ends:</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL MILITARY COMPENSATION (B)**

**CALCULATE NET INCOME**

<table>
<thead>
<tr>
<th>ACTUAL</th>
<th>PROJECTED</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Member’s Take Home Pay (A-B)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Service Member’s Other Earnings (less taxes)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse’s Earnings (less taxes)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meal Collection Deduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family SGLI (For Spouses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGLI and T-SGLI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uniform Services TSP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MGIB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tricare Dental Plan (TDP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Support/Alimony (Received/Income)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income (e.g. SSI, Rental Income)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL MONTHLY LIVING INCOME**

$ | $ | Actual: |

*Note: Pay Entitlements are taxable. Allowance Entitlements are non-taxable.*
<table>
<thead>
<tr>
<th>SAVINGS</th>
<th>ACTUAL</th>
<th>PROJECTED</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal: 10% of Net Income</td>
<td>$</td>
<td>$</td>
<td>Monthly Contribution Amount</td>
</tr>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Fund (1-3 months)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Goal-Getter Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments/IRAs/TSP/etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| TOTAL SAVINGS AND INVESTMENTS (10%) | | | |

<table>
<thead>
<tr>
<th>LIVING EXPENSES</th>
<th>ACTUAL</th>
<th>PROJECTED</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSEHOLD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furnishings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance/Repairs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage/Rent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes/Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOOD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dining Out</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Groceries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lunches</td>
<td>include school and work lunches</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vending Machines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meal Deductions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UTILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cable/Satellite TV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cellular/Pagers/Phone Cards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Gas/Propane</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>Local=$___ Long Distance=$___</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water/Garbage/Sewage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHILD CARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daycare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td>Include other dependant care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUTOMOBILE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gasoline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance/Repairs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLOTHING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laundry/Dry Cleaning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases ($50 monthly per person)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INSURANCE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automobile</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health/Life</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeowners/Renters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGLI/T-SGLI/FSGLI</td>
<td>Both service member/Family SGLI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tricare Dental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEALTHCARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eye Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital/Physician</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescriptions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDUCATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition/Fees</td>
<td>include room and board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MGIB</td>
<td>Montgomery GI Bill (MGIB)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONTRIBUTIONS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Club Dues/Association Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEISURE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Athletic Events/Sporting Goods</td>
<td>include spectator sports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books/Magazines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Products (Software/Hardware)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DVD/VHS/Video Games/CDs</td>
<td>purchase and rental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertaining</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lessons/Toys &amp; Games</td>
<td>dance, music, self-defense, tutor, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel/Lodging</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIFTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holidays</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Birthdays/Anniversaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERSONAL CARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barber/Beauty Shop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer/Liquor/Wine</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>ABC, Package Store, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tobacco Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PET CARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food/Supplies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterinarian/Service (boarding/grooming)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATM Fees/Stamps/etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Recommend $50-$150 Buffer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<p>| TOTAL MONTHLY LIVING EXPENSES (70%) | $ | $ | Actual: |</p>
<table>
<thead>
<tr>
<th>CREDITOR</th>
<th>PURPOSE</th>
<th>MONTHLY PAYMENT</th>
<th>BALANCE</th>
<th>PROJECTED PAYMENT</th>
<th>REMARKS</th>
<th>APR %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. US Govt.</td>
<td>Advance Pay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. US Govt.</td>
<td>Over Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**

**SUMMARY**

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET INCOME (Bottom of Page 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAVINGS &amp; INVESTMENTS (Page 3)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>LIVING EXPENSES (Page 3)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>AMOUNT LEFT TO PAY DEBTS</td>
<td>=</td>
<td></td>
</tr>
<tr>
<td>TOTAL MONTHLY DEBT PMTS (Page 4)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>SURPLUS OR DEFICIT</td>
<td>=</td>
<td></td>
</tr>
</tbody>
</table>

**DEBT TO INCOME RATIO**

(Total Monthly Debt Payments ÷ Net Income x 100 = Debt-to-Income Ratio)
PROPOSED OPTIONS

INCREASE INCOME
1. 
2. 
3. 
4. 
5. 
6. 

DECREASE LIVING EXPENSES
1. 
2. 
3. 
4. 
5. 
6. 

DECREASE INDEBTEDNESS
1. 
2. 
3. 
4. 
5. 
6. 

REFERRALS/RECOMMENDED TRAINING
1. 
2. 
3. 
4. 
5. 
6. 

SETTING YOUR GOALS (Short & Long Term)

<table>
<thead>
<tr>
<th>GOAL</th>
<th>COST</th>
<th>/ DATE WANTED</th>
<th>= MONTHLY SAVINGS TO REACH GOAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### MONTHLY SPENDING PLAN

**TOTAL TAKE HOME PAY BY PAYDAY**

<table>
<thead>
<tr>
<th>MONTH</th>
<th>MONTH</th>
<th>MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>15th</td>
<td>1st</td>
</tr>
<tr>
<td>15th</td>
<td>1st</td>
<td>15th</td>
</tr>
<tr>
<td>1st</td>
<td></td>
<td>15th</td>
</tr>
</tbody>
</table>

Note: Subtract all savings or living expenses deducted from pay (e.g. TSP) or paid by allotment.

<table>
<thead>
<tr>
<th>P = Planned Expenses</th>
<th>Budgeted Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings &amp; Investments</td>
<td>P</td>
</tr>
<tr>
<td>Housing</td>
<td>P</td>
</tr>
<tr>
<td>Food</td>
<td>P</td>
</tr>
<tr>
<td>Utilities</td>
<td>P</td>
</tr>
<tr>
<td>Transportation</td>
<td>P</td>
</tr>
<tr>
<td>Clothes</td>
<td>P</td>
</tr>
<tr>
<td>Insurance</td>
<td>P</td>
</tr>
<tr>
<td>Health</td>
<td>P</td>
</tr>
<tr>
<td>Education</td>
<td>P</td>
</tr>
<tr>
<td>Contributions</td>
<td>P</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>P</td>
</tr>
<tr>
<td>Personal</td>
<td>P</td>
</tr>
<tr>
<td>Entertainment</td>
<td>P</td>
</tr>
<tr>
<td>Dependent Care</td>
<td>P</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>P</td>
</tr>
<tr>
<td>Creditors:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Do not include creditors paid by allotment</td>
</tr>
</tbody>
</table>

**TOTALS**

<table>
<thead>
<tr>
<th>P</th>
<th>A</th>
<th>P</th>
<th>A</th>
<th>P</th>
<th>A</th>
<th>P</th>
<th>A</th>
<th>P</th>
<th>A</th>
</tr>
</thead>
</table>
MONTHLY SPENDING PLAN

Keep track of your daily expenses for two weeks

Keep a record of how you spend your money for the next two weeks. The secret is to record it when you spend it. Using a “stickie” note in your wallet or purse will help you track your expenditures. When you go for your money make a note on your “stickie”; (put the amount and what you spent your money on). At the end of the day, transfer the recorded amounts to this record. Be sure to include bills paid, along with sodas, lunches, etc.

Remember this is for tracking your take home pay, don’t include allotments.

<table>
<thead>
<tr>
<th>DATE:</th>
<th>DATE:</th>
<th>DATE:</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
<tr>
<td>DATE:</td>
<td>DATE:</td>
<td>DATE:</td>
<td>DATE:</td>
</tr>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
<tr>
<td>DATE:</td>
<td>DATE:</td>
<td>DATE:</td>
<td>DATE:</td>
</tr>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
</tbody>
</table>

Take Home Pay: $ ________
Amount Spent: $ ________
Balance: +$ ________ (± or -)
## MONTHLY SPENDING PLAN

**Keep track of your daily expenses for two weeks**

### TAKE HOME PAY FOR TWO WEEKS

<table>
<thead>
<tr>
<th>DATE:</th>
<th>DATE:</th>
<th>DATE:</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DATE:</th>
<th>DATE:</th>
<th>DATE:</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
<td>Amount:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DATE:</th>
<th>DATE:</th>
<th>DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
</tr>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
</tr>
<tr>
<td>Item:</td>
<td>Amount:</td>
<td>Item:</td>
</tr>
</tbody>
</table>

**Take Home Pay:** $ _________

**Amount Spent:** $ _________

**Balance:** +$ _________

(+) or (-)

---

**FLEET & FAMILY SUPPORT CENTERS**

- Little Creek: 462-7563
- Newport News: 688-NAVY
- Norfolk: 444-2102
- Northwest: 421-8770
- Oceana: 433-2912
- Yorktown: 887-4606

**WEBSITE:** www.ffscnorva.navy.mil
## Financial Planning Worksheet

**Date:**

**SSN:**

**Rate:**

**Name:** Sailor Sample

**Age:**

**Pay Grade:** E-4

**Yrs. in Svc.:** 2

**Date Reported/PRD (Transfer):**

**Marital Status:** Single

**Spouse's Name:**

**Age:**

**Spouse's Place of Employment:**

**Number of Children and Ages:**

**Home Address:**

**Work Telephone:**

**Home Telephone:**

**Command & Referred By:** (Self, CMD, NMCRS, FFSC, etc.)

**Amount of SGLI Elected** 400,000

**Amount of FSGLI Elected** 0

**TSP Monthly Contribution** 5%

**MGI Monthly Contribution** 0

### STATEMENT OF NET WORTH

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>Signature Loans</td>
</tr>
<tr>
<td>Checking Accounts</td>
<td>Auto Loans or Leases</td>
</tr>
<tr>
<td>Savings Accounts</td>
<td>Consolidation Loans</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>Student Loans</td>
</tr>
<tr>
<td>Cash Value of Life Insurance</td>
<td>NEX/AAFES (Star Card)</td>
</tr>
<tr>
<td>U.S. Savings Bonds</td>
<td>Department Store Credit Cards</td>
</tr>
<tr>
<td>Mutual Funds/Money Market</td>
<td>Other Credit Cards</td>
</tr>
<tr>
<td>Stocks/Bonds</td>
<td>NMCRS (Loan)</td>
</tr>
<tr>
<td>College Funds</td>
<td>Other (Friends, Relatives, etc.)</td>
</tr>
<tr>
<td>401(k)/403(b)/TSP</td>
<td>Advance/Over Payments</td>
</tr>
<tr>
<td>Other (IRAs, etc.)</td>
<td>Mortgages-Balances Due</td>
</tr>
<tr>
<td><strong>Real Estate</strong> (Market Value)</td>
<td><strong>Home</strong></td>
</tr>
<tr>
<td>Home</td>
<td><strong>Rental Property</strong></td>
</tr>
<tr>
<td>Rental Property</td>
<td><strong>Other (Vac Home/Trailer/Time Share)</strong></td>
</tr>
<tr>
<td>Other (Vac Home/Trailer/Time Share)</td>
<td><strong>Personal Property</strong></td>
</tr>
<tr>
<td>Personal Property</td>
<td><strong>Vehicles/Motorcycles/Boats</strong></td>
</tr>
<tr>
<td><strong>Furniture</strong></td>
<td>$ 22,000</td>
</tr>
<tr>
<td><strong>Jewelry</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Other (Collectibles, etc.)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Counseling Provider By:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Counselor Phone #:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Appointment Date:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Time:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Place:</strong></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ASSETS** $23,603

**TOTAL LIABILITIES** $27,000

**NET WORTH** (Assets - Liabilities) $-3,397
### Monthly Income

<table>
<thead>
<tr>
<th>Entitlements</th>
<th>Actual</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>1,920</td>
<td>1,920</td>
<td></td>
</tr>
<tr>
<td>Basic Allowance for Housing (BAH I or II)</td>
<td>8</td>
<td>1,016</td>
<td></td>
</tr>
<tr>
<td>Overseas Housing Allowance (OHA)</td>
<td>23</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>Basic Allowance for Subsistence (BAS)</td>
<td>323</td>
<td>323</td>
<td></td>
</tr>
<tr>
<td>Family Separation Allowance (FSA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flight Pay/Diving Pay/Flight Deck Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submarine Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Hazardous Duty Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sea Pay</td>
<td>80</td>
<td>00</td>
<td></td>
</tr>
<tr>
<td>Taxable COLA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (tax exempt/allowance eg. COLA/FSSA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Military Compensation</strong> (A)</td>
<td>2,332</td>
<td>3,340</td>
<td>Excludes pretax ded for TSP/MGIB</td>
</tr>
<tr>
<td><strong>Taxable pay (B)</strong></td>
<td>1,904</td>
<td>1,904</td>
<td></td>
</tr>
</tbody>
</table>

### Deductions

<table>
<thead>
<tr>
<th>Allotment</th>
<th>Actual</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td>800</td>
<td>00</td>
<td>For/ends? Rent</td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td>220</td>
<td>220</td>
<td>For/ends?</td>
</tr>
<tr>
<td>Family SGLI (For Spouses)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Servicemembers' Group Life Insurance (SGLI)</td>
<td>27</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Uniform Services TSP</td>
<td>96</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td>MGIB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTIW Filing Status Actual</td>
<td>220</td>
<td>220</td>
<td></td>
</tr>
<tr>
<td>FICA (Social Security)</td>
<td>119</td>
<td>119</td>
<td></td>
</tr>
<tr>
<td>FICA (Medicare)</td>
<td>27</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>State Income Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFRH (Armed Forces Retirement Home)</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>TRICARE Dental Plan (TDP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Payments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overpayments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Deductions</strong> (B)</td>
<td>795</td>
<td>1,595</td>
<td></td>
</tr>
</tbody>
</table>

### Calculate Net Income

<table>
<thead>
<tr>
<th>Service Member's Take Home Pay (A-B)</th>
<th>Actual</th>
<th>Projected</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Member's Other Earnings (less taxes)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouse's Earnings (less taxes)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td>25</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALLOTMENT</td>
<td>280</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td>Family SGLI (For Spouses)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Servicemembers' Group Life Insurance (SGLI)</td>
<td>27</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Uniform Services TSP</td>
<td>94</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>MGIB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRICARE Dental Plan (TDP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Payments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overpayments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Support/Alimony (Received/Income)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income (e.g. SSI, Rental Income)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Monthly Income</strong></td>
<td>1,965</td>
<td>2,973</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Pay Entitlements are taxable. Allowance Entitlements are non-taxable.*
### MONTHLY SAVINGS AND LIVING EXPENSES

Note: Actual or Projected Figures can be carried forward to spending plan.

<table>
<thead>
<tr>
<th>SAVINGS</th>
<th>ACTUAL</th>
<th>PROJECTED</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Fund (1-3 months)</td>
<td>%</td>
<td>%</td>
<td>Monthly Contribution Amount</td>
</tr>
<tr>
<td>Reserve Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;Goal-Getter&quot; Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments/IRAs/TSP/etc.</td>
<td>%</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>TOTAL SAVINGS AND INVESTMENTS (10%)</td>
<td>$</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIVING EXPENSES</th>
<th>ACTUAL</th>
<th>PROJECTED</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furnishings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance/Repairs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage/Rent</td>
<td></td>
<td>800</td>
<td>00</td>
</tr>
<tr>
<td>Taxes/Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOOD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dining Out</td>
<td>200</td>
<td>00</td>
<td>200</td>
</tr>
<tr>
<td>Groceries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lunches</td>
<td></td>
<td></td>
<td>Include school and work lunches</td>
</tr>
<tr>
<td>Vending Machines</td>
<td>280</td>
<td>00</td>
<td>280</td>
</tr>
<tr>
<td>Meal Deductions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UTILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cable/Satellite TV</td>
<td></td>
<td></td>
<td>1/2 share of Cable/Internet</td>
</tr>
<tr>
<td>Cellular/Phone Cards</td>
<td>60</td>
<td>00</td>
<td>60</td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
<td></td>
<td>1/2 share of electricity</td>
</tr>
<tr>
<td>Internet Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Gas/Propane</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
<td></td>
<td>Long Distance=$</td>
</tr>
<tr>
<td>Water/Garbage/Sewage</td>
<td>20</td>
<td>00</td>
<td>1/2 share</td>
</tr>
<tr>
<td>CHILCARE</td>
<td></td>
<td></td>
<td>Include other dependant care</td>
</tr>
<tr>
<td>Allowances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daycare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUTOMOBILE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gasoline</td>
<td>75</td>
<td>00</td>
<td>75</td>
</tr>
<tr>
<td>Maintenance/Repairs</td>
<td>15</td>
<td>00</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLOTHING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laundry/Dry Cleaning</td>
<td>50</td>
<td>00</td>
<td>50</td>
</tr>
<tr>
<td>Purchases ($50 monthly per person)</td>
<td>50</td>
<td>00</td>
<td>Estimate</td>
</tr>
<tr>
<td>INSURANCE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automobile</td>
<td>133</td>
<td>00</td>
<td>133</td>
</tr>
<tr>
<td>Health/Life</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeowners/Renters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGLI/PSGLI</td>
<td>27</td>
<td>00</td>
<td>27</td>
</tr>
<tr>
<td>TRICARE Dental</td>
<td></td>
<td></td>
<td>Both service member/Family SGLI</td>
</tr>
<tr>
<td>HEALTHCARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eye Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital/Physician</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescriptions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDUCATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books (Other/Room &amp; Board)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MGBIB</td>
<td></td>
<td></td>
<td>Montgomery GI Bill (MGBIB)</td>
</tr>
<tr>
<td>CONTRIBUTIONS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charities (CFC/NMCRS)</td>
<td>25</td>
<td>00</td>
<td>25</td>
</tr>
<tr>
<td>Club Dues/Association Fees</td>
<td></td>
<td></td>
<td>CFC (by allot.)</td>
</tr>
<tr>
<td>Religious</td>
<td>100</td>
<td>00</td>
<td>100</td>
</tr>
<tr>
<td>LEISURE</td>
<td></td>
<td></td>
<td>$25/wk to the base chapel</td>
</tr>
<tr>
<td>Athletic Events/Sporting Goods</td>
<td>100</td>
<td>00</td>
<td>Include spectator sports</td>
</tr>
<tr>
<td>Books/Magazines</td>
<td>50</td>
<td>00</td>
<td>Represents the bookcase</td>
</tr>
<tr>
<td>Computer Products Software/Hardware</td>
<td>20</td>
<td>00</td>
<td></td>
</tr>
<tr>
<td>DVD/VHS &amp; Video Games Rentals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DVD's &amp; CD's</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lessons</td>
<td></td>
<td></td>
<td>Dance, Music, Self-Defense, Tutor</td>
</tr>
<tr>
<td>Toys &amp; Games</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel/Lodging</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERSONAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beauty Shop/Nails</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barber Shop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cigarettes/Other Tobacco</td>
<td>80</td>
<td>00</td>
<td>80</td>
</tr>
<tr>
<td>Vending Machines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquor/Beer/Wine</td>
<td></td>
<td></td>
<td>ABC, Package Store, etc.</td>
</tr>
<tr>
<td>Other (Tolleries, Supplements, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIFTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holidays</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Birthdays/Anniversaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PET CARE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food/Supplies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterinarian/Service/Boarding/Grooming</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td></td>
<td></td>
<td>Recommend $50-$150 Buffer</td>
</tr>
<tr>
<td>ATM Fees/Stamps/etc.</td>
<td>10</td>
<td>00</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL MONTHLY LIVING EXPENSES (70%)</td>
<td>$ 1225</td>
<td>00</td>
<td>$ 2015</td>
</tr>
</tbody>
</table>

4.14 Command Financial Specialist Training Student Manual
### INDEBTEDNESS 20%

<table>
<thead>
<tr>
<th>CREDITOR</th>
<th>PURPOSE</th>
<th>MONTHLY PAYMENT</th>
<th>BALANCE</th>
<th>PROJECTED PAYMENT</th>
<th>REMARKS</th>
<th>APR %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. US Govt.</td>
<td>Advance Pay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. US Govt.</td>
<td>Over Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Supreme Credit Union</td>
<td>Auto Loan/lease</td>
<td>$350.00</td>
<td>$25,000.00</td>
<td>$350.00</td>
<td>Stereo Equipment</td>
<td></td>
</tr>
<tr>
<td>4. Supreme Credit Union</td>
<td>Major Credit Card</td>
<td>$75.00</td>
<td>$2,000.00</td>
<td>$75.00</td>
<td>Stereo Equipment</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**

- $425.00
- $27,000.00
- $425.00

### SUMMARY

<table>
<thead>
<tr>
<th>Description</th>
<th>ACTUAL</th>
<th>PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET INCOME (Bottom of Page 2)</td>
<td>$1,965.11</td>
<td>$2,975.04</td>
</tr>
<tr>
<td>SAVINGS &amp; INVESTMENTS (Page 3)</td>
<td>$96.05</td>
<td>$96.05</td>
</tr>
<tr>
<td>LIVING EXPENSES (Page 3)</td>
<td>$1,225.00</td>
<td>$2,015.00</td>
</tr>
<tr>
<td>AMOUNT LEFT TO PAY DEBTS</td>
<td>$644.09</td>
<td>$861.99</td>
</tr>
<tr>
<td>TOTAL MONTHLY DEBT PMTS (Page 4)</td>
<td>$425.00</td>
<td>$425.00</td>
</tr>
<tr>
<td>SURPLUS OR DEFICIT</td>
<td>$219.09</td>
<td>$436.99</td>
</tr>
</tbody>
</table>

**DEBT TO INCOME RATIO**

\[
\text{DEBT TO INCOME RATIO} = \frac{\text{Total Monthly Debt Payments}}{\text{Net Income}} \times 100 = 14.60\%
\]

Introduction to PFM and the Financial Planning Worksheet 4.15
**MONTHLY SPENDING PLAN**

<table>
<thead>
<tr>
<th>P = Planned Expenses</th>
<th>A = Actual Expenses</th>
<th>Budgeted Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Savings &amp; Investments</strong></td>
<td>P</td>
<td>A</td>
</tr>
<tr>
<td>96.05</td>
<td>96.05</td>
<td>96.05</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td>800.00</td>
<td>400.00</td>
</tr>
<tr>
<td><strong>Food</strong></td>
<td>480.00</td>
<td>380.00</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>220.00</td>
<td>110.00</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>100.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>Clothes</strong></td>
<td>50.00</td>
<td>25.00</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>160.00</td>
<td>95.50</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contributions</strong></td>
<td>125.00</td>
<td>62.50</td>
</tr>
<tr>
<td><strong>Subscriptions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personal</strong></td>
<td>80.00</td>
<td>40.00</td>
</tr>
<tr>
<td><strong>Entertainment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dependent Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Creditors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supreme Credit Union</strong></td>
<td>$350.00</td>
<td>350.00</td>
</tr>
<tr>
<td><strong>Supreme Credit Union</strong></td>
<td>75.00</td>
<td>75.00</td>
</tr>
</tbody>
</table>

**TOTALS**

| $2,536.05 | 1,682.05 | 854.00 | 1,682.05 | 854.00 | 1,682.05 | 854.00 | 1,682.05 | 854.00 |

*If using take-home pay amount, do not include any savings, expenses, or debt payments that are deducted from pay or paid by allotment.
Budgeting Tip Sheet

1. General Budgeting Guidelines:
   - Living Expenses = 70 percent of net monthly income
   - Indebtedness (minimum credit payments, not including mortgage) = 20 percent of net monthly income
   - Savings Expenses = 10 percent of net monthly income

2. Debt-to-Income Ratio: Total of monthly debt payments divided by net income x 100. Example: Total Monthly Debt Payment = $300; Total Net Income = $1500
   \[
   \frac{300}{1500} = 0.20 
   \]
   - 20 percent or more: Seek help from professional debt-management experts.

3. Change Federal Income Tax Withholding: Help the client check their LES and verify how much income tax is being withheld from their paycheck. Many members overpay taxes, when they could use the money on a monthly basis. If they are over-withholding, suggest they change their W-4 FITW with their PSD or via the MyPay system. Ask the client what their income tax refund was last year. As a general guideline, if only one spouse works, a client can claim two exemptions for each child under 17 due to the Child Tax Credit. Refer clients to www.irs.gov. Calculators on the IRS Web site can be used to determine withholdings, exemptions, and the impact of changes on cash flow.

4. State Income Tax Withholding: Must be changed separately from the change in FITW.

5. Earned Income Tax Credit (EITC): Is your client eligible for this refundable federal income tax credit for low-income and working individuals and families? The credit reduces the amount of federal tax owed and can result in a refund check. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. Income and family size determine the amount of the EITC. For more detailed information, see the IRS Web site, www.irs.gov, or IRS Publication 596, The Earned Income Tax Credit and/or IRS Publication 3, Tax Issues for the Armed Forces.

6. Food Stamps/FSSA: Depending on your client’s income and family size, they may qualify for food stamps, which would tie in with the military’s Family Subsistence Supplemental Allowance.
### Marine Corps Total Force Leave and Earnings Statement

**ID Info**
- **Name (Last, First, MI):** XXXX, XXXX X
- **SSN:** ****1234
- **Rank:** SGT
- **SERV5:** USC 1234
- **Date:** 200100121
- **PRD:** 200101205
- **Years:** 10
- **EAS:** 2012027
- **ECC:** 123
- **MCC:** 45678

**Date**
- **Start Date:** 20010301
- **End Date:** 20010331
- **Balance:** $0.00

**Pays**
- **Direct Deposit/EFT/Address:**
  - **Bank:** NAVY FEDERAL CREDIT UNION
  - **Account:** PO Box 3002
  - **Routing:** DDAB MERRIFIELD VA 221193002

**Leave Information**
- **Total Leave:** 33 State Tax
- **State Code VA:**
- **Exemptions:** 0
- **Wages This PRD:** $2,172.96
- **Wages YTD:** $2,172.96
- **State Tax YTD:** $89.11

**Federal Tax**
- **Social Security Tax:** $241.40
- **Medicare Tax:** $241.40
- **FICA (Social Security Tax):**
  - **Wages This PRD:** $2,172.96
  - **Wages YTD:** $2,172.96
  - **FED TAX:** $232.09

**Additional Benefits**
- **Brought FWS:** $0.00
- **Basic Pay:** $2,414.40
- **Total:** $2,414.40
- **Social Security:** $491.00
- **Total:** $4,679.47

**Deductions**
- **FITW (Fed Tax):** $332.87
- **Social Security:** $232.09
- **Medicare:** $149.69
- **DITW (State Tax VA):** $26.00
- **GSGI:** $5.50
- **GSQF:** $1.00
- **TSAI:** $0.50
- **Total:** $241.44

**Pay Status**
- **Regular Payment:** $1,949.44
- **TSP Tax:** $241.44
- **Total:** $1,949.44

**Reserve Drill Information**
- **Regular Payment:** $2,172.96
- **Total:** $2,172.96

**Reserve Retirement Information**
- **Regular Payment:** $2,172.96
- **Total:** $2,172.96

**Remarks**
- **Brought FWS:** $0.00
- **Basic Pay:** $2,172.96
- **Total:** $2,172.96
- **Social Security:** $491.00
- **Total:** $4,679.47
- **FITW (Fed Tax):** $332.87
- **Social Security:** $232.09
- **Medicare:** $149.69
- **DITW (State Tax VA):** $26.00
- **GSGI:** $5.50
- **GSQF:** $1.00
- **TSAI:** $0.50
- **Total:** $241.44
- **Pay Status:**
  - **Amount:** $2,414.40
  - **Due:** 20010101

**Retirement Plan:**
- **Points:** 0
- **Work:** 0
- **ACUS:** 0
- **Total:** 0

**Retirement:**
- **Points:**
- **Work:**
- **ACUS:**
- **Total:**

**Earnings:**
- **Total:** $2,172.96

**Carried FWS:**
- **Total:** $2,172.96

**Notes:**
- **Enroll in MarineNet for Self-Education Bonus Promotion**
- **Points, Reserve Retirement Credits and to Become a MarineNet Training Manager. Visit www.marine.net.**
- **DITW (State Tax VA):**
- **TSAI:**
- **TSAI:**
- **Points:**
- **Work:**
- **ACUS:**
- **Total:**

**Earnings Statement via MyPay.
UNDERSTANDING YOUR LES

Section A: Identification Information
Block 1—NAME (Last, first and middle initial)
Block 2—SSN (Social Security Number)
Block 3—RANK
Block 4—SERV (Branch of Service, e.g., USMC)
Block 5—PLT CODE (Platoon Code) four digits indicating the section where the Marine is assigned
Block 6—DATE PREP date LES was prepared
Block 7—PRD Covered (Period covered) period of days the LES covers
Block 8—PEBD (Pay entry base date) base date used to determine when the Marine is entitled to increased basic pay
Block 9—YRS total number of years of service
Block 10—EAS (Expiration of Active service) date active service terminates
Block 11—ECC (Expiration of current contract) date the current contract terminates
Block 12—MCC DIST RUC (Monitor command code, district and Reporting Unit code)

Section B: Forecast Amounts - 4 blocks that forecast the pay the Marine will receive in the upcoming month.
Block 13—DATE is the date of midmonth payday. AMOUNT is the forecast of amount due on midmonth payday of the upcoming month.
Block 14—DATE is the date of end-of-month payday. AMOUNT is the forecast of amount due on end-of-month payday of the upcoming month.

Section C: Split Pay - 4 blocks, which describes any split pay option the Marine may have selected. The split pay option allows Marines enrolled in the Direct Deposit program to receive a portion of their pay at their duty locality each payday. This amount is called the requested split pay amount (RSPA). The remainder of pay due will be direct deposited to the Marine’s bank account. Not all Marines are eligible for this option. The Marine needs to contact the Administration Office for eligibility requirements.
Block 15—START DATE is the date the Marine selected the split pay option.
Block 16—AMOUNT is the amount of split pay the Marine selected to receive at his/her duty locality each payday.
Block 17—BALANCE is the remainder of pay due that will be direct deposited to the Marine’s bank account.
Block 18—POE (Payment option selected) uses codes to designate the distribution of monthly pay. The following are POE codes that may appear on a LES are:
  • 00001 (Accrued all central)
  • 00004 (Final POE for final payment)
  • 11001 (Decentralized twice a month)
  • 12011 (Centralized direct deposit program twice a month)
  • 12021 (Centralized check to military address biweekly)
  • 12031 (Centralized check to quarters address)
  • 12501 (Centralized check other than biweekly)

Section D: Direct Deposit / EFT Address - the name, address, routing number, and account number of the financial institution to which the Marine’s pay is directly deposited.
Section E: Leave Information - reflects the Marine’s leave information.
Block 19—LV BF (Leave brought forward) is the Marine’s leave brought forward from the previous month.
Block 20—EARNED is the leave earned during the LES month.
Block 21—USED is the leave used during the LES month.
Block 22—EXCESS is leave charged without entitlement to pay and allowances in excess of the Marine’s maximum accrual.
Block 23—BAL (Balance) is the number of days of accrued leave due or advanced.
Block 24—MAX ACCRUAL is the total number of days that the Marine can accrue based upon the ECC date (listed in Section A Block 11).
Block 25—LOST is leave days in excess of 60 days lost due to change in the fiscal year.
Block 26—SOLD / AS OF is the lump sum of leave sold during the career and the last date leave was sold.
Block 27—CBT LV BAL (Combat leave balance) is reserved for future use.

Section F: Aviation Pay Information - 5 blocks and is information for Marine aviators (pilots and flight crew).
Block 28—OFFICER BASE DATE is the original date of acceptance for officers having continuous active status.
Block 29—AVIATOR BASE DATE is the date an officer first reports on competent orders to the aviation unit having aircraft in which the officer will receive flight training leading directly to the award of an aeronautical designation.
Block 30—ACCUM OP FLY TIME (Accumulated Operational Flying Time) is accumulation of operational flying time shown in years and months.
Block 31—OP FLY TIME BASE DATE (Operational Flying Time Base Date) is the same as the Aviation Base Date except for those who began flight training before being commissioned.
Block 32—OP FLY GATE INFORMATION (Operational Flying Gate Information)

Section G: Tax Information - 3 blocks that provides information on tax deductions. Some states will exempt military from having to pay state income tax. The Marine should verify his/her state qualifications with his/her state of legal residence.
Block 33—STATE TAX lists the State tax code, marital status, and number of exemptions, total state Taxable income for the period covered, state taxable income year to date, and total amount of state income tax withheld for the year.
Block 34—FEDERAL TAX lists marital status and number of exemptions, total federal taxable income for the period covered, federal taxable income year to date, and total amount of federal income tax withheld for the year.
Block 35—FICA (SOCIAL SECURITY TAX) lists the social security wages this period, social security wages year to date, social security tax year to date, Medicare wages this period, Medicare wages year to date, and Medicare tax year to date.

Section H: Rights of Marines Indebted to the Government - lists the rights of Marines indebted to the government.

Section I: Additional BAH Information-7 blocks currently only block 37 is used, which shows the zip code for BAH entitlement.
Understanding Your LES

Section J: Career Sea Pay—shows the special pay that is payable to Marines in certain pay grades upon permanent or temporary assignment to sea duty. Career sea pay rates are based on the amount of sea duty accumulated by the Marine.
Block 43—DATE is the date career sea duty ended; TOTAL CAREER SEA SVC is the total number of years, months and days served on sea duty.

Section K: Education Deductions—3 blocks and shows the enrollment in Montgomery GI Bill (MGIB) or Veterans Education Assistance program (VEAP) along with the amount contributed and monthly amount paid.
Block 44—TYPE is the educational program in which the Marine is enrolled.
Block 45—MONTHLY AMT is the monthly amount being deducted for the educational program.
Block 46—TOTAL is the total amount that has been deducted for the educational program. This amount includes the current month’s deduction.

Section L: Administration Information—5 blocks that lists administration information such as pay status and group.
Block 47—PAY STATUS is a code that identifies the status on last day covered by LES.
Block 48—PAY GROUP is a code that identifies officer or enlisted.
Block 49—CRA DATE is the clothing replacement allowance date for active duty enlisted.
Block 50—RESERVE ECC is the reserve expiration of current contract.
Block 51—DSSN is the disbursing station symbol number.

Section M: Marine Corps Reserve Drill Information—6 blocks with information on the number of drills performed in the period.
Block 52—REG
Block 53—REG FYTD
Block 54—REG ANYTD
Block 55—ADD
Block 56—ADD FYTD
Block 57—ADD ANYTD

Section N: Marine Corps Reserve Retirement Information—8 blocks with information on reserve retirement such as credit points.
Block 58—BF ANYTD
Block 59—ACDU THIS PRD
Block 60—DRILL THIS PRD
Block 61—OTHER THIS PRD
Block 62—MBR THIS PRD
Block 63—END BAL ANYTD
Block 64—TOTAL SAT YRS
Block 65—TOTAL RET PTS

Section O: Remarks—itemizes the listing of entitlements, deductions, and payments. It also has explanatory remarks concerning specific LES data.

Personal Financial Management Program
Standardized Curriculum
MILITARY COMPENSATION CHECKLIST

Keep this list and check it frequently to ensure that you are successfully managing all of your military compensation components.

Check LES at least quarterly or when:
- You move to a new location.
- You go to a new duty station.
- You are promoted.
- You marry or divorce.
- You have children.

Check myPay (or IPAC) when:
- You have pay questions.
- You need to arrange direct deposit.
- You need a copy of your LES.
- You want to change your tax filing status.
- You need to update or change allotment information.
- You want to join the SDP (up to 90 days in advance of deployment).
- You want to change TSP information.
- You need a copy of your LES.
- You have children.
- You are relocating.
- You return from deployment.

Update your RED when:
- You get to your first duty station.
- You are getting ready to deploy.
- You marry or divorce.
- You have children.

Update your SGLI and TSP beneficiaries when:
- You are getting ready to deploy.
- You marry or divorce.
- You have children.

Talk with your CFS when:
- You check in to a new command.
- You need to establish credit or have too much debt.
- You want to buy a new car.
- You are moving off base.
- You need to complete or update your spending plan.

Check your credit report annually (www.annualcreditreport.com), or when:
- You suspect identity theft.
- You are applying for credit.
- You are applying for life insurance.
- You are applying for a new job.
- You are buying or renting a home or apartment.

Calculate your military compensation when:
- You have a pay change.
- You are transitioning out of the service.

Attend TAMP/TAP class when you start to think about leaving the service.

Attend financial classes when:
- You are moving off base or buying a home.
- You are buying a vehicle, life insurance or making any other large purchase.
- You want to build wealth.
- You need to control debt.
- You want to save for retirement.
- You need to budget your money.
- You want to teach your kids about money.

Keep this contact information updated throughout your career.
- MCCS:
- CFS:
- IPAC:
MILITARY COMPENSATION RESOURCES

Website Information:
- https://mypay.dfas.mil (myPay website)
- http://militarypay.defense.gov/ (OSD Compensation Calculator)
- http://www.tsp.gov/ (Thrift Savings Plan of the Uniformed Services)
- http://www.dfas.mil/ (Defense Finance Accounting Service website for pay tables, SDP information and other pay related information)
Insurance
LIFE-CYCLE APPROACH TO INSURANCE NEEDS

Insurance planning begins with an assessment of your needs. If nothing changes, leave your plan alone. But with major life events, reconsider your plan.

SINGLE IN QUARTERS
“I don’t need any insurance. I live in government quarters. I don’t even have a car.”

- **Renters insurance** – Still necessary to cover your possessions.
- **Life insurance** – Only if someone depends on your income; otherwise consider a small amount to cover final expenses. SGLI is enough.

MOVING OFF-BASE
“I commute to work with a friend and I am just buying some furniture on credit. Since I don’t have much, I don’t need insurance to cover it.”

- **Renters insurance** – Absolutely necessary to replace your possessions, including those that you have not paid off and to have liability insurance.

BUYING A CAR
“I am buying a car with a big monthly payment, there’s no way I can afford insurance. I’ll just take my chances.”

- **Auto insurance** – required for on-base driving. Required by state law at set minimums.
  1. Liability coverage pays for other’s losses if you are responsible.
  2. Collision and Comprehensive coverage.
  3. Uninsured/Underinsured motorist coverage.
  4. Medical payments.
  5. Lender will require insurance
  6. If you have an accident you will continue to owe for the balance on the car while now possibly needing another car.

GETTING MARRIED
“Wow, this is such a big step, with so many things to consider. I don’t want to think about those negative things right now.”

- **Life insurance** – If someone depends on your income, review your plan and determine your needs. FSGLI offers inexpensive spousal coverage.
- **Health** – Use the TRICARE system at low or no cost. Consider a supplemental policy if far away from a military treatment facility or if there are special health needs. Sign up for DEERS and add to Record of Emergency Data (RED).
- **Dental** – Remember to sign your new family member up for the Dental Health Program.
- **Auto** – Review and adjust as necessary.
- **Renters insurance** – Review and adjust as necessary.

HAVING CHILDREN
“I have a baby now. I’m supposed to be responsible, but I don’t even know where to begin.”

- **Life insurance** – Your needs will increase now due to the long-term financial responsibilities of raising a child. In addition, insure the other parent. FSGLI is available up to $100,000. Children under 18 get $10,000 automatic coverage under FSGLI.
- **Health** – Add child to DEERS and RED.
- **Dental** – Wait until the child has teeth and/or needs to begin care, first visit around age 2-3 years.
- **Auto** – Review and adjust as necessary.
- **Renters insurance** – Review and adjust as necessary.

PERSONAL FINANCIAL MANAGEMENT PROGRAM
STANDARDIZED CURRICULUM
**BUYING A HOME/CONDO/MOBILE HOME**

“I’ve just made the biggest purchase of my life. Now I want to protect my investment and find a way to pay off this debt if something happens to me.”

- **Homeowners insurance** – Required by your lender and needed to cover both the real property and your personal possessions. It includes liability coverage for someone injured on your property.
- **Life insurance** – Needs increase at this time due to the mortgage you are carrying. If you want to be able to pay it off, then you must carry enough insurance to do so.

**DIVORCE**

“My spouse said she would continue to cover me on the auto insurance policy, but now it’s been canceled. What should I do?”

- Divorce can happen anytime in the life cycle. Review all policies and adjust as necessary.
- Reconsider your life insurance needs and who you list as your beneficiary.

**RETIREMENT/SEPARATION**

“I am getting out of the military in a few months. Will my insurance needs change?”

You have been provided many benefits at low or no cost which you now must cover yourself.

- **Life insurance** – Increase your policy to cover the loss of SGLI or consider VGLI (Veterans Group Life Insurance) or another commercial policy.
- **Health/dental** – Shop for a policy, if not provided by your next employer. Personal health policies can be expensive. Even if you are eligible for Medicare/Medicaid, you may need a supplemental policy.
- **Disability** – You may be provided coverage by your employer; otherwise, you may want to look for a policy to replace a portion of your income should you be injured or become ill.
- **Auto** – Review and adjust as necessary.
- **Homeowners** – Review and adjust as necessary.

**DEATH**

“My spouse just passed away. What can I expect financially now?”

**Active-duty members:**
- Death gratuity: $100,000 paid within 36 hours
- SGLI: Up to $400,000
- Dependency and indemnity compensation
- Accumulated leave and/or arrears in pay
- Burial
- Travel for funeral
- 12 months BAH or time in quarters
- Final household goods shipment
- Survivor Benefit Plan (SBP) Automatic
- Social Security Survivor Benefits
- Veterans Affairs education

**Out of Military:**
- Benefits will depend on the policies you have.

**Retirees:**
- SBP, if elected
- Social Security
- Burial

**INCREASING ASSETS**

“I am finally starting to accumulate some possessions and put money aside in investments. Now I worry about how to protect these assets.”

- **Umbrella policy** – Wide coverage for minimal costs. This is in addition to homeowners and auto insurance. It covers you above the limits of these policies for your liability in a lawsuit.
- **Long-term care** – Coverage for nursing/in-home care later in life.
- **Homeowners** – Review and adjust as necessary.
- **Auto** – Review and adjust as necessary.
- **Life** – Review and adjust as necessary.

**PERSONAL FINANCIAL MANAGEMENT PROGRAM**

**STANDARDIZED CURRICULUM**
## Your Insurance Needs: Organizing Your Records

### INFORMATION TO KEEP:

1. For each individual life insurance policy on your life, record the following information:
   - The full name of the life insurance company that issued the policy
   - The city and state of the home office of the company that issued the policy
   - The name and U.S. headquarters of the group, if the issuing company belongs to a group of companies
   - The policy number
   - The date the policy was issued
   - The amount of the death benefit
   - The name and address of the agent/broker who sold you the policy
   - The type of policy (e.g., term, whole life, etc.)
   - The location of the original life insurance policy

2. For each employer-provided or group (trade association, etc.) insurance benefit, record the following information:
   - The name of the employer or group that sponsors the insurance
   - The office or person to contact when it is time to file a claim
   - The certificate number (comparable to the policy number under an individual policy).
   - The date the insurance was started
   - The amount of the death benefit

3. For death benefits that are features of annuities, workers’ compensation programs, disability insurance, travel accident insurance, etc, record the following information:
   - The type of policy that has a death benefit as part of its features
   - The full name of the life insurance company that issued the policy
   - The city and state of the home office of the company that issued the policy
   - The policy number
   - The date the policy was issued
   - The amount of the death benefit
   - The name and address of the agent/broker who sold you the policy
   - The location of the original insurance policy

4. For each life insurance benefit dedicated to paying off a loan (credit cards, etc.), record the following information:
   - The full name of the lending institution through which you obtained the life insurance
   - The loan number and issue date of the loan
   - The name of the person or office to contact when it is time to file a claim
   - The policy number of the life insurance policy that pays off the loan

### WHERE TO KEEP THE INFORMATION:

Keep one set of these records in your home, in a place where others who need this information are likely to find it. After placing the information there, make your family/loved ones aware of its location. This could be the same place you keep other financial records, legal papers or anywhere your survivors are likely to look for them. Keep another set of these records “off site” — that is, outside of your home, perhaps in a safe deposit box, or with a professional or trusted relative who can produce them when needed. On each page, record the date on which the information was last updated.
SHOPPING TIPS FOR INSURANCE

Save Money on Automobile Insurance
- Compare prices. Get at least three quotes.
- Use the auto-insurance buyer’s guide.
- Don’t buy collision and comprehensive coverage from the lender.
- Buy a car that is inexpensive to repair, and has a great insurance rating by the industry.
- Raise the deductibles (but have money in savings).
- Have sufficient liability coverage.
- Consider dropping collision insurance on older cars.
- Take advantage of discounts: good driver, safe vehicle, good student, low mileage, occupational, internet.
- Describe exactly how your car is used.
- Notify insurer about changes that could lower rates.
- Pay entire premium when due.
- Share your car with a teenager (insurance for a car they own is even more expensive).
- Drive safely.
- Check with the Insurance Institute for Highway Safety for vehicle ratings.
- Multi-policy insurance: Buy all policies from the same company.

Tips to Remember
- Purchase insurance to cover catastrophic losses, not small losses.
- Generally, one comprehensive policy is better than number of smaller ones.
- Always shop for a policy which is guaranteed renewable and non-cancelable.
- Never drop essential coverage until another policy is in force.
- Purchase insurance from a financially strong company.
- Research insurance companies and agents.

Save Money on Homeowners Insurance
- Compare prices. Get at least three quotes.
- Buy all your property and casualty insurance from the same company.
- Install deadbolt locks, smoke detectors, a fire extinguisher and burglar alarms.
- Pay annually.
- Raise the deductible, but make sure to have money in savings.
- Quit smoking.
- Buy replacement-cost coverage.
- Have sufficient liability coverage.
- Buy a recently built house.
- Don’t over-insure (don’t include price of the land your house is on).

WEBSITES

Military-Specific:
- [www.va.gov](http://www.va.gov)
- [www.ltcfeds.com](http://www.ltcfeds.com)
- [www.tricare.osd.mil](http://www.tricare.osd.mil)
- [www.insurance.va.gov](http://www.insurance.va.gov)

Consumer Information:
- [www.consumerworld.org](http://www.consumerworld.org)
- [www.naic.org](http://www.naic.org)
- [www.insurancefraud.org](http://www.insurancefraud.org)
- [www.term4sale.com](http://www.term4sale.com)
- [www.iii.org](http://www.iii.org)
- [www.accuquote.com](http://www.accuquote.com)
- [www.insweb.com](http://www.insweb.com)
- [www.ssa.gov](http://www.ssa.gov)
- [www.ambest.com](http://www.ambest.com)
- [www.quotesmith.com](http://www.quotesmith.com)
- [www.standardandpoors.com](http://www.standardandpoors.com)
SURVIVOR BENEFIT PLAN:  
BASIC QUESTIONS ANSWERED

**What is SBP and why was it created?**  The Uniformed Services Survivor Benefit Plan (SBP) was created by Congress in 1972 to put an end to the category of destitute survivors. SBP is the sole means by which survivors can receive a portion of military retired pay. Without it, retired pay stops on the date of death of the retiree!

**How Does SBP Work?**
All active-duty military members are covered by SBP at no cost, because the government bears the total cost of coverage. Should you die in the line of duty, your retired pay entitlement is calculated as of that date, and the SBP annuity flows to your surviving spouse.

At retirement, members must decide whether they want to continue providing the same benefit to their survivors. If so, they share SBP’s cost with the government by electing to receive reduced retired pay during their lifetime. The cost, or premium, for this coverage is deducted from the retired pay pre-tax.

**What are SBP’s advantages?**
1. Government-subsidized premium
2. Pre-tax premium payment
3. Annual cost-of-living adjustments

**Who can be a beneficiary in SBP?**
The six election categories are: spouse; spouse and child; child only; former spouse; former spouse and child; and insurable interest. Details of each category:

1) **Spouse:** A spouse is the person you are married to when you die; if you marry after retirement, the marriage must last at least one year or you must have had children born of that spouse. Benefits are paid until the spouse dies but stop upon remarriage before age 55 (and can be resumed if the remarriage ends).

2) **Spouse and child(ren):** The spouse is the primary beneficiary, with eligible children (to age 18, 22 if full-time, unmarried college students) receiving the annuity only if the spouse dies or remarries before age 55. The 55 percent annuity is divided equally among eligible children.

3) **Child(ren) only:** Eligible children are the primary beneficiaries. If the retiree dies while a child is eligible, the 55 percent annuity continues until the child exceeds the age of eligibility. Eligible children are defined as adopted children, stepchildren, foster children and recognized natural children who live with the retiree in a regular parent-child relationship. Children of all marriages are eligible beneficiaries under this section.

Child coverage offers excellent protection for incapacitated children, since the 55 percent annuity is payable to them for life. The mental or physical incapacity must have occurred while in the age eligibility range.

4) **Former spouse:** This option can be elected voluntarily or be required by a state court. Former spouse costs and benefits are identical to those for spouses. The same remarriage limitations apply.

5) **Former spouse and child(ren):** This is identical to the “spouse and children” option in costs and benefits, except that only children of the marriage to the former spouse are eligible beneficiaries.

6) **Insurable interest:** If a retiree is unmarried with no children or one dependent child, this option may be selected. The “natural person” must be someone with a financial interest in your life. Examples are a close relative or a business partner. What is a “base amount”? This is the dollar amount of retired pay you select to base participation on. It can be any amount between $300 per month and full retired pay.

**What are the costs and benefits of SBP?**

1) **Spouse (or former spouse):** The cost is 6.5 percent of the base amount. For example, with a base amount of $1,000 per month, the cost for spouse coverage is $65. The annuity is 55 percent of $1,000 (or $550) regardless of age.

2) **Spouse (or former spouse) and child:** The spouse portion of this election costs 6.5 percent of the base amount. The child cost portion is based on the ages of the retiree, the spouse and the youngest child. This cost is very low, given typical ages.
## Survivor Benefit Plan: Basic Questions Answered

### 3) Child only: Child only: The cost is based on the ages of the retiree and youngest child. Using a $1,000 base amount as an example, with a 42-year-old retiree and the youngest child 10, the child cost is $3.80. Children are primary beneficiaries in this option. Eligible children equally divide the 55 percent benefit.

### 4) Insurable interest: The base amount must be full retired pay in this option. Costs are 10 percent of retired pay, plus 5 percent for each full five years younger the beneficiary is than the retiree, and cannot exceed 40 percent of retired pay.

The annuity is 55 percent of the remainder of retired pay minus the SBP premium, and continues for life.

**Note:** This option may be canceled at any time. Should you gain a spouse or child in the future, the insurable interest coverage may be changed to spouse or child or both, within one year of the change.

### Can an election be changed?

Elections are generally permanent and irrevocable. A retiree can disenroll during the one-year period between the 25th and 36th month following start of retired pay. Spouse concurrence is required; no costs are refunded; no future enrollment is allowed. Premiums continue as long as there is an eligible beneficiary; costs are suspended if a spouse is lost to death or divorce. Then, if you remarry, coverage resumes automatically at the first anniversary unless the retiree makes a written request to decline resumption before that date. Child costs stop when the youngest child exceeds age 18 (or 22).

**Note:** SBP elections are made by category, so the choice you make for your eligible beneficiaries at retirement is critical. For example, if you are married at retirement and decline coverage for your spouse, then later remarry, you may not enroll your new spouse. Likewise, if you have eligible children you decline to enroll, you may not enroll future children.

### Does my spouse have to agree with me?

Yes. If you cover less than full retired pay, cover children only or decline coverage, then the spouse’s written concurrence is required prior to retirement or the election becomes full, automatic coverage. This is rooted in assumption of benefits a spouse has during your active service.

### What happens to my spouse coverage if we divorce after retirement?

Spouse coverage will be suspended when the retired pay center is notified of your divorce. (Notify them immediately).

You then have one year from the date of divorce to make a written request to change your election from spouse to former spouse, voluntarily or in compliance with a court order or written agreement. The former spouse has the same one-year period to request a former spouse election.

I’m unmarried – what are my options? You can elect “insurable interest” coverage or decline coverage. If you gain a spouse or child in the future, you may enroll them within one year.

### Finally, is SBP for me?

**Is your continued retired pay important to your family’s financial health?** If yes, consider SBP’s cost-of-living adjusted, government-subsidized, tax-free features, which make it a good buy for most retirees.

- [http://www.navymutual.org/Military-Benefits/Active-Duty/](http://www.navymutual.org/Military-Benefits/Active-Duty/) (Navy Mutual Aid Association)
Car Buying
CAR BUYING RESOURCES

AGENCIES

- Marine Corps Community Services — Personal Financial Management Specialist
- Command Financial Specialist
- Armed Forces Disciplinary Control Board
- Better Business Bureau
- State attorney general or consumer protection agencies
- Credit unions — car-buying assistance programs
- Financial institutions on base – required to give financial education
- National Automobile Dealers Associations (NADA)

INFORMATION

- Consumer magazines
- Kelley Blue Book and NADA Official Used Car Book
- New car pricing guides (Edmunds, IntelliChoice)
- Your local library

REMEMBER

- Do your homework.
- Keep it three separate transactions: the purchase, the financing, the trade-in.
- Have used cars checked by a trusted mechanic before purchase and don’t forget to get a CARFAX report.
- Have Base Legal Services Office check the contract before signing.
- Beware of the “tricks of the trade.”
- Prepare a budget to know what you can afford.

WEBSITES

- www.consumerworld.org
- www.nada.org
- www.kbb.com
- www.edmunds.com
- www.intellichoice.com
- www.autobytel.com
- http://autos.msn.com
- www.autoweb.com
- www.autopedia.com
- www.carfax.com
- www.carlemon.com
- www.highwaysafety.org
- www.annualcreditreport.com
- www.federalreserve.gov/pubs/leasing
- www.bankrate.com
- www.internetautoguide.com
- www.epa.gov/greenvehicles
- www.fueleconomy.gov/
- www.ftc.gov/bcp/menus/consumer/autos/buy.shtm
- www.consumerreports.org
- Military Protection:

Everything is negotiable!

PERSONAL FINANCIAL MANAGEMENT PROGRAM
STANDARDIZED CURRICULUM
C A R  S A L E S  T R I C K S  O F  T H E  T R A D E

Put to Ride
When a salesperson cannot persuade you to buy today, they may insist that you leave your trade-in at the dealership, keep the new car overnight and drive it home. This way, no other dealership can see your trade-in, your neighbors and relatives see the new car, you fall in love with it and have a hard time saying no to purchasing the car when you have to bring it back the next day.

Bait and Switch
When a dealership runs an ad with a picture of a well-equipped car and the price of a stripped-down model to entice you to come in. You are then shown the stripped-down model and quickly switched to the well-equipped one with a higher price tag.

Lowballing
Lowballing occurs when the salesperson quotes you a price on a car that is lower than the current market price. This is done to assure that you will return before signing with anyone else just to see if the offer still stands. At this point, the salesperson will tell you that they cannot sell the car for that low a price because the sales manager will not allow it.

Highballing
Highballing is the same as lowballing, except that a high trade-in allowance figure is offered to you. Again, you come in later and the manager will not allow it.

Good Guy/Bad Guy
When the salesperson plays the role of the “good guy” and the manager plays the “bad guy” to enhance the image of the salesperson. The salesperson and manager may even stage an argument in front of you, with the salesperson trying to persuade the manager to give you a lower price. Once you believe that the salesperson is on your side, you drop your guard and become an easy mark. They may even say they were previous military to build that bond with you. This may or may not be true, but in a military town it is to the salesperson’s advantage to make this statement.

“Your Car”
This is when the salesperson keeps referring to the car as “your car” to get you subconsciously to accept ownership of the car. Once accomplished, it is easier to get you to sign the contract.

“Van Drive to a Great Deal”
Someone promises a great deal on a car and there is a van to take you there. You get there and they won’t drive you back if you don’t buy.

Padding
Adding charges that increase the dealer’s profit at the time you sign the contract; i.e., under-coating, protection packages, dealer-installed options, credit life insurance, disability insurance, etching, extended warranties, prepaid maintenance, vehicle service packages, etc.
The Budget Bottom Line

Cpl. Paul Jones and his wife, Connie, are thinking about buying a new car. They have figured out their basic income and daily living expenses as well as savings and debt and have developed a budget. They have a pretty good idea about the type of car they want and what it will cost. Connie works part time while their 7-year-old daughter is in school. They currently own one car, which is paid off. They live in base housing. They have an emergency fund of $3,000 for any unexpected, therefore unbudgeted, emergency expenses.

Using these figures, calculate the Jones’ monthly bottom line and figure out whether they can truly afford this car purchase.

<table>
<thead>
<tr>
<th>Total Net Income</th>
<th>$2,536</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Monthly Living Expenses:</td>
<td>$1,265</td>
</tr>
</tbody>
</table>

Paul and Connie have picked out a vehicle that suits their needs. They have calculated that their total monthly car payment will be approximately $357.

Using the following guidelines, determine whether Paul and Connie can afford this vehicle.

1. Financial advisers usually suggest keeping total car expenses to within 25 percent of your net income (what remains after taxes).
   
   Paul and Connie’s total net income: ________ x 25% (.25) = ________________

2. Total car expenses include the car payment plus maintenance, insurance, operating expenses (fuel, oil, etc.) and taxes. These operating expenses can sometimes total up to one-third of the monthly payment. To avoid spending more than you can afford, multiply the amount you figure you can afford to spend each month on your new vehicle by .66. The product will give you a good idea of what the car payment max is for your current financial situation.

   Total car expenses x .66 = __________
   
   (Estimated car payment max based on net income.)

3. Paul and Connie have _______________ left over each month.
   
   Can they afford the maximum payment calculated above?

You be the Judge of their Budget “Bottom Line.”
DEBT-TO-INCOME RATIO

This is a useful tool in determining your financial risk level. Do the math and consider where you are before taking on further debt.

1. Net income (gross monthly pay minus taxes, withholdings and allotments). 1.________________________

2. Installment credit (include charge accounts, car payments, advance pay, overpay, etc. Do not include rent, mortgage, utilities or insurance payments.)

Creditor monthly payment

A. __________________________ $_________
B. __________________________ $_________
C. __________________________ $_________
D. __________________________ $_________
E. __________________________ $_________
F. __________________________ $_________
G. __________________________ $_________
H. __________________________ $_________

2. __________________________

3. Divide line 2 by line 1, multiply by 100

(2) __________________________ ÷ (1) __________________________ x 100 = __________________ %

TOTAL

Percent  Status
Less than 15%  Some additional credit may be used with caution.*
15-20%  Fully extended. Seek financial coaching to be pro-active.
21-30%  Overextended. Strongly encouraged to seek financial coaching.
Greater than 30%  Seriously overextended. Seek help! Contact your local PFM or CFS.

http://www.usmc-mccs.org/finance

* Will the additional monthly payment put you over 20 percent? Large families may have a difficult time with 16 percent or more.
When purchasing a vehicle, the most commonly asked question is:

“How much will my monthly payments be?”

The answer, of course, will depend on the amount financed, the number of months financed, and the interest rate.

Remember, the larger your down payment, the lower your monthly payment.

To use the chart, the following steps apply:

1. Cross the interest rate with the number of months you wish to finance for and locate your multiplier. For example:
   6.5% at 36 months is .0306490,
   6.5% at 48 months is .0237150, 
   and 6.5% at 60 months is .0195661.

1. Multiply the total amount you plan to finance by the multiplier and you will have your estimated monthly payment.

For example:
$10,591.00 at 6.5% for 36 months = $10,591.00 x .0306490 = $324.60 per month,
$10,591.00 at 6.5% for 48 months = $10,591.00 x .0237150 = $251.17 per month,
$10,591.00 at 6.5% for 60 months = $10,591.00 x .0195661 = $207.22 per month.
# Buying vs. Leasing

<table>
<thead>
<tr>
<th></th>
<th>Buying</th>
<th>Leasing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ownership</strong></td>
<td>You own the vehicle and get to keep it as long as you want it.</td>
<td>You don't own the vehicle. You get to use it but must return it at the end of the lease unless you decide to buy it.</td>
</tr>
<tr>
<td><strong>Up-front costs</strong></td>
<td>They include the cash price or a down payment, taxes, registration and other fees.</td>
<td>They typically include the first month's payment, a refundable security deposit, a down payment, taxes, registration and other fees.</td>
</tr>
<tr>
<td><strong>Monthly payments</strong></td>
<td>Loan payments are usually higher than lease payments because you're paying off the entire purchase price of the vehicle, plus interest and other finance charges, taxes, and fees.</td>
<td>Lease payments are almost always lower than loan payments because you're paying only for the vehicle's depreciation during the lease term, plus interest charges (called rent charges), taxes and fees.</td>
</tr>
<tr>
<td><strong>Early termination</strong></td>
<td>You can sell or trade in your vehicle at any time. If necessary, money from the sale can be used to pay off any loan balance.</td>
<td>If you end the lease early, early-termination charges can be almost as costly as sticking with the contract.</td>
</tr>
<tr>
<td><strong>Vehicle return</strong></td>
<td>You will have to deal with selling or trading in your car when you decide you want a different one.</td>
<td>You can return the vehicle at lease-end, pay any end-of-lease costs and walk away.</td>
</tr>
<tr>
<td><strong>Future value</strong></td>
<td>The vehicle will depreciate, but its cash value is yours to use as you like.</td>
<td>On the plus side, its future value doesn't affect you financially. On the negative side, you don't have any equity in the vehicle.</td>
</tr>
<tr>
<td><strong>Mileage</strong></td>
<td>You're free to drive as many miles as you want. (But higher mileage lowers the vehicle's trade-in or resale value.)</td>
<td>Most leases limit the number of miles you may drive, often 12,000 to 15,000 per year. (You can negotiate a higher mileage limit.) You'll have to pay charges for exceeding your limits.</td>
</tr>
<tr>
<td><strong>Excessive wear and tear</strong></td>
<td>You don't have to worry about wear and tear, but it could lower the vehicle's trade-in or resale value.</td>
<td>Most leases hold you responsible. You'll have to pay extra charges for exceeding what is considered normal wear and tear.</td>
</tr>
<tr>
<td><strong>End of term</strong></td>
<td>At the end of the loan term (typically three to five years), you have no further payments and you have built equity to help pay for your next vehicle.</td>
<td>At the end of the lease (typically two to four years), you will have to finance the purchase of the car or lease or buy another.</td>
</tr>
<tr>
<td><strong>Customizing</strong></td>
<td>The vehicle is yours to modify or customize as you like.</td>
<td>Because the lessor wants the vehicle returned in sellable condition, any modifications or custom parts you add will need to be removed before you return the car. If there is any residual damage, you'll have to pay to have it fixed.</td>
</tr>
</tbody>
</table>

Adapted from the “Keys to Vehicle Leasing” brochure (in English and Spanish), available from <www.federalreserve.gov/pubs/leasing/>, or Publications Fulfillment, MS-127 Board of Governors of the Federal Reserve System Washington, DC 20551, Telephone: (202) 452-3244 or 3245.
CAR BUYING AND LEASING
TERMINOLOGY

**Acquisition Fee:** Charged by the leasing company, usually $250 to $500, and sometimes amortized in the monthly payment. Sometimes you pay the fee up front at inception.

**Adjusted capitalized cost:** Also called net capitalized cost. This is the "capitalized cost" (selling price), less deductions to reduce the price of the car, such as a down payment, non-cash credits, trade-in credit or rebate. Adjusted capitalized cost is used to calculate your base monthly payment. Think of it as “amount financed.”

**Base price:** Cost of the car with the standard equipment and basic warranty.

**Base monthly payment:** The part of your monthly payment that is made up of just the depreciation during the lease. This is calculated as (net capitalized cost - residual) ÷ (number of months in lease). The base monthly payment is added to your monthly interest and tax to arrive at your total monthly payment.

**Capitalized cost:** The selling price of the car, options, warranties, insurance, rustproofing or other goodies. Think of this as the value of your car at the beginning of the lease, whereas the residual value is the value of the car at the end of the lease.

**Capitalized cost reduction:** Anything that reduces the capitalized cost before the monthly payment is calculated. It includes cash down, trade-in credit and manufacturer’s rebate, etc.

**Carryover allowance:** Another manufacturer-to-dealer incentive to clear out prior-year models.

**Closed-end lease:** At the end, just return the car with no further obligations. You can buy it if you like at the residual value, but you are not obligated.

**Customer rebate:** A manufacturer incentive, usually in the form of cash or lower interest rates.

**Dealer holdback:** A bonus amount (usually 2 percent to 3 percent of MSRP) the manufacturer pays to the dealer for meeting sales and customer service goals, regardless of the actual sale price of the vehicles.

**Dealer sticker price:** Monroney (window) sticker price plus MSRP of any options installed by the dealer.

**Depreciation:** The drop in value that the car is predicted to have during your lease. It’s the difference between the adjusted capitalized cost and the residual value. Depreciation is part of what your monthly payments are paying for. That’s why you want the lowest cap cost and the highest residual value: Monthly depreciation fee = (net cap cost - residual) ÷ lease term.

**Destination charge:** What the manufacturer charges to deliver the vehicle to the dealer.

**Disposition fee:** A charge by the leasing company at lease end to “fix it up for resale.” Many people don’t realize this fee is not declared on the first page of the lease with the other numbers, it’s buried in the fine print of the “end of lease requirements” section.

**Down payment:** The amount of cash you put down to reduce the capitalized cost, and hence your monthly payments. It is subtracted from the car’s capitalized cost, before the monthly payment is calculated.

**Early termination fee:** A penalty you must pay if you terminate your lease early or total the car in a wreck. This could be several thousand dollars. Early lease termination should be avoided. However, you may have protection from early termination penalties under the Servicemembers Civil Relief Act. Refer to the act and your Base Legal Services Office prior to terminating an auto lease to protect your legal rights.

**Excess Mileage:** You are typically limited to 10,000 to 15,000 miles annually, so watch your mileage. The customary rate is 15 cents per mile over the limit. An extra 2,000 miles each year on a three-year lease contract could cost you $900. The mileage limits and
overage charges will be stated in the leasing contract. That being said, be wary of paying for extra mileage up front; you won't get a refund if you don't drive excess miles.

**Excess wear and tear**: Damage or wear on the car beyond normal wear and tear, even if the car appears to be in good condition. Read the lease and understand what it says about excess wear and tear. Have the dealer explain their standards of “excess” wear.

**Finance fee**: Also called lease charge, or more commonly, rent charge, this is the “interest” or profit that the leasing company charges you. Here’s how they calculate it: Finance fee = (net cap cost + residual) × money factor. This is not the same thing as interest on a loan, and the calculations are different. To calculate the equivalent APR, multiply the money factor by 2,400.

**Gross capitalized cost**: Selling price of the car. Sometimes dealer acquisition fees are included in this amount.

**Insurance**: Leases require greater insurance coverage than most people opt for on their own: bodily injury or death liability: $100,000 per person / $300,000 per occurrence; property damage liability: $50,000; comprehensive and collision for full vehicle value with a maximum $500 deductible. These higher requirements can significantly increase the monthly costs to operate the vehicle.

**Invoice price**: What the manufacturer charges the dealer (the dealer’s cost may actually be less due to rebates and incentives, etc.).

**Manufacturer’s suggested retail price (MSRP)**: The recommended retail price as suggested by the dealer and posted on the vehicle. Dealers can sell a car for whatever price they choose. MSRP averages 10 percent to 11 percent higher than the dealer invoice price.

**Manufacturer-to-dealer incentive**: Extra money the automaker pays the dealer for selling certain cars. May be used to increase advertising, lower the prices and/or increase dealer’s profitability.

**Money factor**: A number used to calculate finance charges (interest) for your monthly payment. To get the APR, multiply the money factor by 2,400. For example, a money factor of .003333, yields an interest rate of (.003333*2400) = 8 percent. When converting money factor to APR, it should at least be comparable to or lower than local new car loan interest rates. Like interest, the lower the money factor, the lower your monthly payments.

**Monroney sticker price**: The price listed on the sticker on the car window. This includes base price, installed options, destination charges and fuel economy information.

**Monthly payment**: The monthly lease payments made over the term of the lease. Monthly lease payments are made up of three parts: 1) depreciation, 2) rent charge and 3) sales tax. You pay the leasing company for the loss in value of its car, as well as interest on the money they have tied up in the car.

**Net trade-in allowance**: This is the amount the dealer is giving you for your trade-in, after paying off any loan balance on your trade-in. If you were upside down on your loan, whatever is left is financed into the lease, effectively increasing the adjusted capital cost of the leased car.

**Purchase option fee**: A fee charged if you opt to buy the vehicle at the end of a lease. This fee is highly negotiable.

**Purchase option price**: Selling price of the vehicle if you buy it at the end of the lease. This is usually the residual value.

**Residual value**: The value leasing companies estimate the car will be worth at the end of the lease, expressed as percentage of MSRP. The residual value affects the amount of your monthly payment. Ask your bank or credit union for residual values.

**Sales tax**: They usually tax the monthly lease payment at the local sales tax rate and add it to the base payment to get your total monthly payment.

**Security deposit**: Usually equal to one month’s payment paid up front as security for excess wear and tear.
INSTALLMENT SALE CONTRACT FOR
TITLED VEHICLE AND EQUIPMENT

Federal Truth-in-Lending Disclosures

Annual
percentage rate
The cost of your credit as a yearly rate.

18 %
Finance Charge
The dollar amount the credit will cost you.

$ 1290.00
Amount financed
The amount of credit provided to you or on your behalf.

$ 6509.00
Total of payments
The amount you will have paid after you have made all payments as scheduled.

$ 7800.00
Total sale price
The total amount of your purchase on credit, including your down payment of:

$ 1300.00
Amount of Payments
When Payments Are Due

$325.00 Monthly Beginning 6 mos. ago
Final Payment of
Due on

A late charge. If a payment is not paid in full within 7 days after it is due, you will pay a late charge of 5% of amount of payment due.
Prepayment. If you pay off early on a Contract with a precomputed finance charge, you will be entitled to a refund of part of finance charge. If the finance charge is calculated on a simple interest method, you may have to pay a prepayment penalty.

Security interest. You are giving a security interest in the Property and related equipment being purchased and in our right of setoff.

Itemization of Amount Financed

1. Cash Price (including any accessories, services, and taxes)                      $ 5997.00
2. Total Down payment = Net Trade-in $ 0.00 + Cash Down payment $1300.00 $ 1300.00
3. Unpaid Balance of Cash Price (1 minus 2) $ 4697.00
4. Other Charges Including Amounts Paid to Others on Your Behalf:
   A. Cost of Required Physical Damage Insurance Paid to the Insurance Company Named Below – Covering Damage to the Vehicle $710.00
   B. Cost of Optional Mechanical Repair Coverage for Certain Mechanical Repairs $720.86
   C. Cost of Optional Credit Insurance for the Term of this Contract
      Life $ 0.00 Accident and health $ 0.00 Total $0.00
   D. Official fees Paid to Government Agencies $19.52
   E. Taxes Not Included in Cash Price $198.62
   F. Government License and/or Registration Fees (itemize) $125.00
   G. Government Certificate of Title Fees $38.00
   H. Other Charges (Seller must identify who will receive payment and describe purpose) to Road USA for Car Club $0.00

Total Charges and Amounts Paid to Others on Your Behalf $1812.00
5. Amount financed — Unpaid Balance (amount of credit you will receive) (3+4) $ 6509.00

After thorough examination, Buyer hereby buys from Seller, grants Seller a security interest in, and acknowledges delivery and acceptance of the following described property (“Property”) at the price and upon conditions herein stated, this Contract being valid only upon purchase and acceptance by assignee. This sale is not contingent upon financing on terms satisfactory to the parties hereto.

Account No.

Buyer (and Co-Buyer) Name(s) and Residence Address(es)
John Smith
123 Frontage Rd
Anywhere, USA

Dealer No.

Creditor (Seller) - Name and Business Address
US Auto
9603 Main Ave
Anywhere, USA

Prepared

12/15

Customer Agreement

Description of property

New or Used Year Make and Model Body Type Vehicle Identification Number Primary Use Intended
Used 02 Ford Focus St Wagon 4 DR Wagon 4G3RF1234BB567890 X Personal Business

☑ Air Conditioning ☐ Radio ☑ 4-5 Speed Trans. ☐ Power Steering ☑ Other
☐ Sun Roof ☑ Stereo ☑ Automatic Trans. ☐ Custom Wheels
☐ Other (describe) ☑ CD

Odometer Miles
86,905

The finance charge is calculated on a ☐ Precomputed ☑ Simple Interest Basis

Your Payment Schedule Will Be

Number Of Payments Amount Of Payments When Payments Are Due
24 $325.00 Monthly Beginning 6 mos. ago

A final Payment of $ Due on

☐ Prepayment. If you pay off early on a Contract with a precomputed finance charge, you will be entitled to a refund of part of finance charge. If the finance charge is calculated on a simple interest method, you may have to pay a prepayment penalty.

Personal Financial Management Program
Standardized Curriculum
INSTALLMENT SALE CONTRACT FOR
TITLED VEHICLE AND EQUIPMENT

Insurance. If any insurance is checked below, coverage will become effective only if insurer issues a policy or certificate which will describe the terms and conditions of coverage.

Optional Credit insurance. Credit life and accident and health insurance are not required to obtain credit and will not be provided unless you sign below and agree to pay the additional cost(s).

<table>
<thead>
<tr>
<th>Type</th>
<th>Premium</th>
<th>Signature of Insured Party</th>
<th>Birth Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Life Insurance</td>
<td>$</td>
<td>I want Credit Life Insurance</td>
<td></td>
</tr>
<tr>
<td>Joint Credit Life</td>
<td>$</td>
<td>We want Joint Life Insurance</td>
<td></td>
</tr>
<tr>
<td>Accident &amp; Health Insurance</td>
<td>$</td>
<td>I want Accident &amp; Health Insurance (Buyer Only)</td>
<td></td>
</tr>
</tbody>
</table>

Required physical damage insurance. Physical damage insurance is required, but you may obtain it from anyone you choose who is acceptable to the Creditor. If obtained through Creditor, the following applies.

Insurance Company: Guaranteed Expense Term: 15 months Cost for Term: $710

X $500

Deductible Collision and either

X Full comprehensive including Fire, Theft, and Combined Additional Coverage

☐ $_________ Deductible Comprehensive including fire, Theft, and Combined Additional Coverage

☐ Fire, Theft, and Combined Additional Coverage

Optional if desired

☐ Towing and Labor costs X Rental Reimbursement ☐ CB Radio equipment

Optional mechanical repair coverage. If Buyer selects this optional coverage, the cost will be listed on line 4B on reverse.

Insurance Co. Broke-N-Down

Term ☐ 36 months or 36,000 miles, whichever occurs first

Term ☐_____________________________________________

Deductible ☐ $25 X $50 ☐ $_________

No liability insurance included

Receipt of goods and promise to pay. You agree that you have received the vehicle and/or services described above and have accepted delivery of the vehicle in good condition. You promise to pay the Creditor the Total Sales Price shown above by making the Total Down payment and paying the Creditor the Total of Payments in accordance with the Payment Schedule shown above and all other amounts due under this contract.

Do Not Sign this contract before you read it or if it contains blank spaces. You are entitled to an exact copy of the contract you sign. Buyer acknowledges receipt of a filled-in copy of this Contract and agrees to all terms and conditions hereof.

Buyer’s signature _______________________________ Co-Buyer’s signature _______________________________

Accepted _____________________________ By _____________________________

Creditor Signature and Title

[For Demonstration Purposes only]

Note: Actual documents will contain fine print of the reverse. Read ALL the fine print. Be sure to ask questions if you need clarification.

PERSONAL FINANCIAL MANAGEMENT PROGRAM
STANDARDIZED CURRICULUM
Credit Reports
CREDIT REPORTS

Check your credit report at least once a year for errors, negative information that could prevent you from obtaining a security clearance or mortgage, and signs of identity theft (see below).

- Experian (888) 397-3742
  http://www.experian.com
- TransUnion (800) 888-4213
  http://www.transunion.com
- Equifax (800) 685-1111
  http://www.equifax.com

HOW TO REQUEST A COPY OF YOUR CREDIT REPORT:

Consumers now get one free credit report each year from all three major credit reporting agencies.
http://www.annualcreditreport.com

HOW TO CORRECT AN ERROR ON YOUR CREDIT REPORT:

Under the Fair Credit Reporting Act (FCRA), both the credit reporting agency and the information provider (the person, company or organization that provides information about you to an agency) are responsible for correcting inaccurate or incomplete information in your report. To take advantage of your rights under the FCRA, contact the credit reporting agency and the information provider if you see inaccurate or incomplete information. Dispute forms are available on the credit reporting agencies’ websites or you can request a hard copy from them. Here is the basic sequence of events regarding a dispute of an item on your credit report:

1. Tell the agency, in writing, what information you think is inaccurate. Include copies (save the originals) of documents that support your position. Send your letter by certified mail, return receipt requested, so you can document what the agency received. Keep copies of everything you send.

2. Credit reporting agencies must investigate the items in question, usually within 30 days, unless they consider your dispute frivolous. They must forward all the relevant data you provide about the inaccuracy to the organization that provided the incorrect information. After the information provider receives notice of a dispute from the agency, it must investigate, review the relevant information and report the results back to the agency. If the information provider finds the disputed information is inaccurate, it must notify all three nationwide agencies so they can correct the information in your file.

3. When the investigation is complete, the credit reporting agency must give you the written results and a free copy of your report, if the dispute results in a change. (This free report does not count as your annual free report.) If an item is changed or deleted, the agency cannot put the disputed information back in your file unless the information provider verifies that the information is indeed accurate and complete. The agency must send you written notice that includes the name, address and phone number of the information provider.

4. If you request it, the agency must send notices of any correction to anyone who received your report in the past six months. A corrected copy of your report can be sent to anyone who received a copy during the past two years for employment purposes.

5. If an investigation does not resolve your dispute with the credit reporting agency, you can ask that a statement of the dispute be included in your file and in future reports. You also can ask the agency to provide your statement to anyone who received a copy of your report in the recent past, but expect to pay a fee for this service.
CREDIT REPORTS

HOW TO GET YOUR NAME OFF SOLICITATION LISTS:

Creditors receive lists of names from credit bureaus to pre-screen your report and make promotional offers. To be excluded from these lists, call the credit bureaus or (888) 5 OPT OUT, or go the National Do Not Call Registry (http://www.donotcall.gov); the Consumer Credit Reporting Industry (http://www.optoutprescreen.com); and the Direct Marketing Association (http://www.the-dma.org).

FOUR STEPS TO TAKE IF YOUR IDENTITY IS STOLEN:

1. Call the three credit reporting agencies and place a fraud alert on your credit report. Then ask for the free credit report to which you are entitled.

2. Close any accounts that you suspect have been tampered with or opened fraudulently. Start by calling the security or fraud department of each company. Follow up in writing, and include copies of supporting documents.

3. File a police report.

4. Contact the Federal Trade Commission (FTC). Your information helps law enforcement officials across the country track down and stop identity thieves.

You can file a complaint online at https://www.ftccomplaintassistant.gov/. If you do not have Internet access, call the FTC’s ID Theft Hotline toll-free: (877) IDTHEFT (438-4338); TTY: (866) 653-4261; or write: Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Ave. NW, Washington, DC 20580.

For more information, see “Take Charge: Fighting Back Against Identity Theft” at http://www.ftc.gov/idtheft

ADDITIONAL RESOURCES:

Comptroller of the Currency Administrator of National Banks
http://www.helpwithmybank.gov/faqs/credit.html
1. Which one of the following is NOT one of the three C’s of qualifying for credit?
   a. Character
   b. Collateral
   c. Capability
   d. Capacity

2. Cardholders who misuse their government travel cards shall be subject to administrative or disciplinary action.
   a. True
   b. False

3. Which one of the following is considered a wise use of credit?
   a. Purchasing everyday living expenses
   b. Purchasing to relieve stress
   c. Purchasing consumables
   d. Purchasing assets like a home or education

4. Which of the following is likely to have the best credit rates?
   a. Retail merchants
   b. Credit unions
   c. Consumer finance companies
   d. Rent-to-own companies

5. Which finance charge computation method totals the beginning balance for each day in the billing period and subtracts any credits made to your account that day?
   a. Previous balance method
   b. Adjusted balance method
   c. Two-cycle balance method
   d. Average daily balance method

6. If you have multiple credit cards with one company, by law, the company must apply above-the-minimum payments to which of your cards?
   a. The card with the highest rate
   b. The card with the lowest rate
   c. The card with the highest balance
   d. The card with the lowest balance

7. Debts accrued using a Military Star Card are owed to the government and can result in garnishment of the service member’s pay.
   a. True
   b. False

8. What is the period that allows you to make credit card purchases and avoid finance charges by paying your balance in full before the due date?
   a. Double-cycle balance period
   b. Grace period
   c. Average daily balance period
   d. Adjusted method period
9. What is interest calculated on the full amount of the original principal and then immediately added to the original principal for a sum total?
   a. Simple interest
   b. Compound interest
   c. Add-on interest
   d. Adjusted interest

10. Which one of the following is NOT a way to establish a credit history?
    a. Open a bank account
    b. Obtain credit from a local retailer
    c. Use a co-signed loan
    d. Pay existing bills on time

11. As a rule, you always should pay only the minimum payment on a loan or credit card, since that frees up your cash to spend on other important things.
    a. True
    b. False

12. The various fees often associated with credit cards are billed separately and do not affect your available balance.
    a. True
    b. False

13. Which type of finance calculation is prohibited by law?
    a. Average daily balance
    b. Adjusted balance
    c. Previous balance
    d. Two-cycle balance

14. Which of the following statements is true about reducing the cost of credit?
    a. To reduce the cost of credit, extend the repayment period and/or decrease the monthly payment.
    b. To reduce the cost of credit, shorten the repayment period and/or increase the interest rate.
    c. To reduce the cost of credit, increase the monthly payment and/or increase the interest rate.
    d. To reduce the cost of credit, increase the monthly payment and/or decrease the repayment period.

15. Which of the following statements is not true?
    a. You usually can tell if you should borrow money by who is willing to lend it to you; a credit union usually is a good deal, while predatory lenders are not.
    b. The military consumer has no safeguards against predatory lenders.
    c. Contacting your current credit-card issuer and asking for a lower rate is a great way to save on the cost of credit.
    d. When it comes to credit, the primary role of the PFM is to educate members on using it wisely.
DEBT-TO-INCOME RATIO

This is a useful tool in determining your financial risk level. Do the math and consider where you are before taking on further debt.

1. Net income (gross monthly pay minus taxes, withholdings and allotments).  
   1. __________________________

2. Installment credit (include charge accounts, car payments, advance pay, overpay, etc. Do not include rent, mortgage, utilities or insurance payments.)  
   Creditor monthly payment

   A. __________________________ $ __________
   B. __________________________ $ __________
   C. __________________________ $ __________
   D. __________________________ $ __________
   E. __________________________ $ __________
   F. __________________________ $ __________
   G. __________________________ $ __________
   H. __________________________ $ __________  
   2. __________________________

3. Divide line 2 by line 1, multiply by 100

   (2) __________________________ ÷ (1) _____________________________ x 100 = __________________ %

Percent  
Less than 15%  Some additional credit may be used with caution.*
15-20%  Fully extended. Seek financial coaching to be pro-active.
21-30%  Overextended. Strongly encouraged to seek financial coaching.
Greater than 30%  Seriously overextended. Seek help! Contact your local PFM or CFS.  
   http://www.usmc-mccs.org/finance

* Will the additional monthly payment put you over 20 percent?  
Large families may have a difficult time with 16 percent or more.

PERSONAL FINANCIAL MANAGEMENT PROGRAM
STANDARDIZED CURRICULUM
Annual Credit Report Request Form

You have the right to get a free copy of your credit file disclosure, commonly called a credit report, once every 12 months, from each of the nationwide consumer credit reporting companies - Equifax, Experian and TransUnion.

For more information on obtaining your free credit report, visit www.annualcreditreport.com.

Use this form if you prefer to write to request your credit report from any, or all, of the nationwide consumer credit reporting companies. The following information is required to process your request. Omission of any information may delay your request.

Once complete, fold (do not staple or tape), place into a #10 envelope, affix required postage and mail to: Annual Credit Report Request Service P.O. Box 105281 Atlanta, GA 30348-5281.

<table>
<thead>
<tr>
<th>Social Security Number:</th>
<th>Date of Birth:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fold Here

<table>
<thead>
<tr>
<th>First Name</th>
<th>M.I.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Last Name</th>
<th>JR, SR, III, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Mailing Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>House Number</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Apartment Number / Private Mailbox</th>
<th>For Puerto Rico Only: Print Urbanization Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>ZipCode</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Previous Mailing Address (complete only if at current mailing address for less than two years):</th>
</tr>
</thead>
<tbody>
<tr>
<td>House Number</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Apartment Number / Private Mailbox</th>
<th>For Puerto Rico Only: Print Urbanization Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>ZipCode</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Shade Circle Like This -> ⬪
Not Like This -> ❌

I want a credit report from (shade each that you would like to receive):
   ○ Equifax
   ○ Experian
   ○ TransUnion

Shade here if, for security reasons, you want your credit report to include no more than the last four digits of your Social Security Number.

If additional information is needed to process your request, the consumer credit reporting company will contact you by mail.

Your request will be processed within 15 days of receipt and then mailed to you.
# Credit Report Analysis

<table>
<thead>
<tr>
<th>Grade</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>750 – 850</td>
</tr>
<tr>
<td>B</td>
<td>720 – 749</td>
</tr>
<tr>
<td>C</td>
<td>660 – 719</td>
</tr>
<tr>
<td>D</td>
<td>620 – 659</td>
</tr>
<tr>
<td>F</td>
<td>300 – 619</td>
</tr>
</tbody>
</table>
Summary

CURRENT IMPACT. Congratulations! You have not missed any payments. Not missing any payments demonstrates your ability to manage credit wisely. As a result, it is having a positive impact on your credit score of 30 points.

DEFINITION. The number of months since a tradeline reported was reported delinquent.

EXPLANATION. Every time you make, miss, or pay late on a credit card, loan or mortgage it is reported by the creditor to the credit bureau. This is often referred to as Payment History. Your Payment History demonstrates to your creditors how you manage your credit. Missed payments demonstrates a lesser ability to manage credit. The more recent the missed payments the higher the risk. The higher the risk the lower your credit score will be.

My Actions

IMPROVE YOUR SCORE. You have achieved the maximum possible points of 30. You do not have any missed payments. Keep up the good work!

Warnings

YOUR CREDIT REPORT. You have achieved the maximum possible points of 30. You do not have any missed payments. If you do miss ANY payments your credit score will be severely impacted by -60 points.

ADDITIONAL INFORMATION. Whenever you make a delinquent payment, you automatically incur the biggest point penalty of -30 points (60 point difference from the maximum possible) for this portion of your score. Only as time passes between the most recent delinquent payment and the time of your credit score check will you be able to regain those points. You will not receive full points until that payment reaches 7 years (84 months).
Summary

CURRENT IMPACT. Congratulations! You have not paid late on any accounts. As a result, you are not losing any points from your credit score.

DEFINITION. The **number of tradelines that have reported a 30 or 60 day late payment**.

EXPLANATION. Every time you make a payment, including one month late (30 day late) or two months late (60 day late), on a credit card, loan or mortgage it is reported by the creditor to the credit bureau. This is often referred to as Payment History. Your Payment History demonstrates to your creditors how you manage your credit. Missed payments demonstrate a lesser ability to manage credit because you are unable to pay your balances in a timely manner. The more accounts that you have with Missed Payments 30/60 days late the higher the risk you become. The higher the risk the lower your credit score will be.

My Actions

IMPROVE YOUR SCORE. Congratulations! Your credit score is not being negatively affected by Missed Payments 30/60 days. Click on the Warnings Tab to learn what could hurt your credit score.

Warnings

YOUR CREDIT REPORT. Congratulations! You have not paid 30 to 60 days late on any of your accounts in the last 7 years. However, if you do pay late once on any of your accounts your credit score will be negatively impacted by at least -4 points, for at least a period of 7 years.
Summary

CURRENT IMPACT. Congratulations! You have not paid late 90 days or more on any accounts. As a result, you are not losing any points from your credit score.

DEFINITION. The number of tradelines that have reported a 90 day late payment or greater.

EXPLANATION. Every time you make a payment, including three months late (90 day late), or four months late (120 day late) on a credit card, loan or mortgage it is reported by the creditor to the credit bureau. Typically after three months of non-payment creditors may report the account as a charge-off, sent to collections, foreclosure, repossession, garnishment, and or judgment. Non-payment to local government, or the IRS will result in a lien on your credit report. Such non-payment reportings are referred to as Trade Derogatories. Trade Derogatories demonstrate that you are struggling to repay your debt in a timely manner or at all. The more Trade Derogatories you have the higher the risk. The higher the risk the lower your Credit score will be.

My Actions

IMPROVE YOUR SCORE. Congratulations! Your Credit score is not being negatively affected by late payments of 90 days or more.

Warnings

YOUR CREDIT REPORT. Congratulations! You have not paid 3 months or more late on any of your accounts in the last 7 years. However, if you do pay 90 days or more late on any of your accounts your Credit score will be negatively impacted by at least -12 points, for at least 7 years.

ADDITIONAL INFORMATION. If you have been 30 or 60 days late paying bills in the past, try not to be more delinquent on any trade than you have ever been on it in the last seven years. That is, if you were 60 days past due on a trade but never 90 days past due on it then try to never be 90 days past due on it in the future. Automobiles are often repossessed at 60 days past due so be sure to never let your car loan payment get that far past due.
Public Record / Collections

Summary

DEFINITION. The number of items reported under Public Records and Collections.

EXPLANATION. When debt is not paid in a timely manner, often 90 days late or longer, it is reported under the Public Records and Collections segment of the credit report.

The following is a listing of the items that may be reported as a collection or public record:

• Collections
• Foreclosures
• Garnishments
• Judgments / Legal Items
• Tax Liens
• Bankruptcy (7, 11, 12, 13)

My Actions

IMPROVE YOUR SCORE. Congratulations! Your Credit Score is not being negatively affected by public records/collections.

Warnings

YOUR CREDIT REPORT. Congratulations, you do not have any Public Records/Collections. However, if one is reported on your credit report in the future, your Credit Score will be negatively impacted by -12 points.

ADDITIONAL INFORMATION. Avoid incurring derogatory public record items including foreclosure, civil and small claims judgments, foreclosure, paid or unpaid tax liens, bankruptcy, paid or unpaid collection items. These remain on the credit report for at least seven years and are seen as very serious by most creditors. Chapter 13 Bankruptcy remains on the credit report for seven years from the filing date while Chapter 7, 11 and 12 Bankruptcy remains for ten years. Though you may be able to get new credit even with some of these issues it may be at a high cost to you.
Recent Inquiries

Summary

CURRENT IMPACT. Congratulations! You have had 0 hard-hit inquiries in the last 12 months. Most credit granting companies consider this amount to be low. As a result, it is having a positive impact on your credit score of 20 points.

DEFINITION. The amount of times you apply for credit in a 12 month period. The more times you apply for credit the lower your credit score.

EXPLANATION. Every time you apply for credit (a credit card, store card, furniture, or a car, etc) an inquiry is made into your credit report. Such inquiries are called hard-hits. A high number of hard-hit inquiries within a year’s time indicates you are seeking additional credit. Seeking additional credit generally means you will acquire additional debt. As a result, the more times you inquire for credit in a 12 month period the higher risk you are. The higher the risk the lower your Credit score.

My Actions

IMPROVE YOUR SCORE. Congratulations! You have achieved the maximum possible points of 20. Additional Information. In order to maintain your good standing in the future it is recommended that you apply for credit with an existing creditor. The creditor should be one who you have paid on time and are not over or approaching your credit limit. When you seek credit with a lender who you already have an established relationship with, they may not need to evaluate your credit in a way that generates an inquiry on your credit report. As a result, your score should not be impacted.

Warnings

YOUR CREDIT REPORT. You are currently achieving maximum points for the Number of Inquiries. If, however, you seek credit just once you will immediately negatively impact your current Credit score by -10 points for a period of no less than 12 months. Additional inquiries against your credit during this time will further impact your score, and extend the duration until you can restore this portion of your score to its full value of 20.

ADDITIONAL INFORMATION. Try to avoid the temptation of applying for credit because of promotional rates. Often the deals are enticing “save 20% by applying for a card today” or “pay no interest for 24 months” but usually those companies have higher than usual interest rates and stiff penalties for not paying on time. Be cautious with your credit, do your homework, understand their terms, rates, and penalties and only apply for credit when it is really needed.
Newest Accounts

Summary

CURRENT IMPACT. Congratulations! Most creditors and lenders consider 0 new account(s) to be preferable. As a result, you are not losing any points from your Credit score.

DEFINITION. The number of new tradelines opened in the last six months.

EXPLANATION. Every time you apply and are approved for credit, the account is listed as a trade on your credit report. The more trades that are opened the greater the chance that you will accumulate debt. The more debt the higher the risk. The higher the risk the lower your Credit score will be.

My Actions

IMPROVE YOUR SCORE. Congratulations! Your Credit score is not being negatively impacted by New Accounts. You opened 0 new accounts in the last six months.

Warnings

YOUR CREDIT REPORT. The amount of trades you have opened in the last six months is not affecting your Credit score. However, **if you do open 2 trade(s) in the next 6 months you will negatively impact your Credit score by -4 points.**

ADDITIONAL INFORMATION. Do not open new trades unless they are absolutely needed. Opening a new trade is a double whammy for your Credit score. First it will count against “Inquiries” and secondly it will impact “Newest Trades”. Know where you stand with your new trades and your inquiries. If you cannot wait and must seek additional credit it is recommended that you do so with an existing creditor who you have paid on time and are not over or approaching your credit limit. When you seek credit with a lender who you already have an established relationship with, they may not need to evaluate your credit in a way that generates an inquiry on your credit report. As a result, your score should not be as adversely impacted.
Summary

CURRENT IMPACT. Congratulations! You have achieved the maximum possible points for your Oldest Revolving Account. Your oldest revolving account is 188 months old. Having this account open for so long demonstrates your ability to maintain credit. As a result, it is having the maximum positive impact on your Credit score of 20 points.

DEFINITION. The age of the oldest tradeline.

EXPLANATION. Credit reports track the age of each tradeline listed. The age of a tradeline indicates how long the individual has had credit. The longer an individual has had credit the less risk they are. The less risk the higher the Credit score.

My Actions

IMPROVE YOUR SCORE. You can improve your Credit score by 10 points if you wait 53 months. In 53 months your oldest revolving account will be 241 months old.

Warnings

YOUR CREDIT REPORT. Your Oldest Revolving Account is 188 months old. Due to your history of credit you are gaining 20 points. If you close your oldest account it will no longer be applicable for this portion of your score, and your second oldest qualifying account (if one exists) will be used instead.

ADDITIONAL INFORMATION. Your oldest trade is considered an important indicator of risk. Your oldest trade is currently as old as it can be and you would like to let it get older. Do no close your oldest trade or you may move to a lower score category and reduce your score.
Accounts with Balances

Summary

CURRENT IMPACT. Congratulations! You have 2 open account(s) that have had a balance in the last 12 months. Most creditors and lenders consider this to be an acceptable amount. As a result, you are not losing any points from your Credit score.

DEFINITION. The number of open tradelines that have a balance that are up to date.

EXPLANATION. One of the main objectives of any Credit Score is to determine how well you manage credit. In order to determine how well you manage credit you must use credit. Failure to use credit will make you a higher risk. The higher the risk the lower your Credit score will be.

My Actions

IMPROVE YOUR SCORE. You are not losing any points for this portion of your Credit score, so no actions are required at this time.

Warnings

YOUR CREDIT REPORT. You have used 2 tradelines within the last 12 months, so you are not losing points for Accounts with Balances. Try to continue this trend by maintaining a small balance on at least 2 open accounts so that at any give time, at least 2 accounts will show a balance within the last 12 months.

ADDITIONAL INFORMATION. Remember that an account must be open and show a positive balance within the last 12 months in order to be used for this total. A balance does not need to be substantial, nor does it need to be maintained for more than a month to qualify that account for the next 12 months.
Balance to Limit

Summary

CURRENT IMPACT. Your total utilization is 0%. Most credit grantors consider this amount to be low. As a result it is having a positive impact of 30 points on your Credit score.

DEFINITION. The sum of all revolving balances divided into the total of all revolving credit limits.

Example: If you have only 2 credit cards, each with a credit limit of $500, and one card has a balance of $400 and the other has a balance of $200, you would have a total revolving account utilization of 60% ( ($400 + $200) / ($500 + $500) )

EXPLANATION. Creditors evaluate the total revolving utilization because it helps indicate how much of your credit you have used. The more credit you have used the more you will have to repay. The more you have to repay the higher the risk you are. The higher the risk the lower your Credit score will be. Utilization is calculated by dividing the bank revolving balance by the bank revolving credit limit for each of these trades.

My Actions

IMPROVE YOUR SCORE. Congratulations! You have achieved the maximum possible points for credit utilization.

Warnings

YOUR CREDIT REPORT. Your current Total Credit Utilization is 0%. If you increase your Total Credit Utilization by 10% then your Credit score will be decreased by -6 points.

ADDITIONAL INFORMATION. If you can pay down the balances on your bank revolving credit accounts so that they are lower relative to the credit limits then you should score better. If you are acquiring additional credit it is recommended that you do so with an existing bank revolving creditor that has the lowest interest rate who you have paid on time and are not over your credit limit. It should be an account that you have had for at least 12 months. A third approach, if possible, may be to balance transfer from your highly utilized accounts to another account(s).
High Balance to Limit

Summary

CURRENT IMPACT. Congratulations! You do not have any bank revolving trades with a utilization of 75% or greater. As a result, it is positively impacting your Credit score by 15 points.

DEFINITION. The number of accounts that have a Account Utilization of 75% or more. Account utilization is calculated by dividing the revolving balances by the revolving credit limits for each trade.

EXPLANATION. Creditors evaluate the number of bank revolving trades that are highly utilized (75% or greater) because it helps indicate how extended you are. The more highly utilized bank revolving trades you have the higher the risk you are. The higher the risk the lower your Credit score will be.

My Actions

IMPROVE YOUR SCORE. Congratulations! You do not have any bank revolving trades with a utilization of 75% or greater.

Warnings

YOUR CREDIT REPORT. You do not have any bank revolving trades with a utilization of 75% or greater, so your Credit score is gaining the highest possible points of 15. However, the following accounts are approaching 75% utilization, and should be concentrated on when paying down balances: Good Job! No accounts approaching high utilization. All accounts currently below 50% utilization.
How to Find the Right Card:
2. Websites that list the best credit and credit card deals, educational information and calculators: [http://www.bankrate.com](http://www.bankrate.com) [http://www.cardweb.com](http://www.cardweb.com)
3. Financial magazines and publications frequently post a list of the best credit card deals for consumers.

Questions to Ask:
- Is there an introductory rate? What is it and how long does it last?
- After that, what will my rate be?
- Is there an application fee?
- Are there processing fees?
- Is there an annual fee?
- Is there a late fee?
- Is there an over-the-limit fee?
- Are there additional fees, such as account termination fees or balance transfer fees?
- When and how can a variable rate be changed?
- When and how can a fixed rate be changed?
- What is the grace period before interest is applied?
- How will you inform me of any changes in my contract?
- Will the company inform me if I am about to go over my limit?
- If I go over my limit, what happens?
- What is company policy if I have trouble paying my bill?

The Right Card for You:
- Know the terms of your card and what they mean.
- Carrying a balance: Look for a card with a low annual percentage rate (APR).
- Paying off balances monthly: Look for a card with no annual fee. Check for a grace period during which no interest is charged on outstanding balances.
- Poor or no credit history: Secured cards are available. Customers post a security deposit equal to the credit limit of the card.
- How widely is the card accepted?
- What is the realistic credit limit that you need?

Helpful Websites:
- [http://www.abiworld.org](http://www.abiworld.org) American Bankruptcy Institute
- [http://www.aiicca.com](http://www.aiicca.com) Association of Independent Consumer Credit Counseling Agencies
- [http://www.annualcreditreport.com](http://www.annualcreditreport.com) Free annual credit report from the three major agencies
- [http://www.bankrate.com](http://www.bankrate.com) Bankrate, for comparison shopping of rates
- [http://www.bea.gov](http://www.bea.gov) Department of Commerce, Bureau of Economic Analysis
- [http://www.consumerlaw.org](http://www.consumerlaw.org) National Consumer Law Center
- [http://www.cuna.org](http://www.cuna.org) Credit Union National Association
- [http://www.federalreserve.gov/creditcard](http://www.federalreserve.gov/creditcard) Federal Reserve System Credit cards
- [http://www.legalconsumer.com](http://www.legalconsumer.com) bankruptcy information
- [http://www.nfcc.org](http://www.nfcc.org) National Foundation for Credit Counseling

How to Manage Credit:
- Commit to a plan to pay off or reduce your credit card debt by using a power payment schedule.
- Call the credit card company and request that they lower your interest rate and eliminate your fees. It costs nothing to ask.
- Check the fine print on the credit application.
- Are you getting a fixed annual percentage rate, or is it a temporary teaser rate that will increase frequently?
- Always pay more than the minimum amount due.
- If you carry a balance, beware of cards that offer a rebate, frequent flier miles and other perks. They can carry high interest rates and fees that can cancel their benefits.
‘Active Duty’ Alerts Help Protect Military Personnel from Identity Theft

The last thing you want to worry about while you’re on deployment is someone assuming your identity to commit financial fraud. Now, you don’t have to. Amendments to the Fair Credit Reporting Act allow you to place an “active duty alert” in your credit report. According to the Federal Trade Commission, one of the agencies that enforces the FCRA, the alert requires creditors to verify your identity before granting credit in your name.

Your credit report contains information on where you live, how you pay your bills, and whether you’ve been sued, arrested, or filed for bankruptcy. Nationwide consumer reporting companies sell the information in your report to creditors, insurers, employers, and other businesses that use it to evaluate applications for credit, and a host of other activities, including insurance, employment, or renting a home.

Your credit report can be a tool to help you guard against — or discover — identity theft, which occurs when someone uses your personal information — like your name, your Social Security number, or your credit card number — to commit fraud. Identity thieves may use your information to open a new credit card account in your name. Then, when they don’t pay the bills, the delinquent account is reported on your credit report. Inaccurate or fraudulent information could affect your ability to get credit, insurance, or housing, now or in the future. People whose identities have been stolen can spend months or years cleaning up the mess the thieves have made of their names and credit records.

If you are a member of the military and away from your usual duty station, you may place an “active duty alert” on your credit report to help minimize the risk of identity theft while you are deployed. When a business sees the alert on your credit report, it must verify your identity before issuing you credit. The business may try to contact you directly, but if you’re on deployment, that may be impossible. As a result, the law allows you to use a personal representative to place or remove an alert. Active duty alerts on your report are effective for one year, unless you request that the alert be removed sooner. If your deployment lasts longer, you may place another alert on your report.

To place an “active duty” alert, or to have it removed, call the toll-free fraud number of one of the three nationwide consumer reporting companies: Equifax, Experian, or Trans Union. The company will require you to provide appropriate proof of your identity, which may include your Social Security number, your name, address, and other personal information.

- Equifax: 1-800-525-6285; www.equifax.com
- Experian: 1-888-EXPERIAN (397-3742); www.experian.com
- TransUnion: 1-800-680-7289; www.transunion.com
Contact only one of the three companies to place an alert — the company you call is required to contact the other two, which will place an alert on their versions of your report, as well. If your contact information changes before your alert expires, remember to update it.

When you place an active duty alert, your name will be removed from the nationwide consumer reporting companies’ marketing lists for prescreened offers of credit and insurance for two years — unless you ask that your name be placed on the lists before then. Prescreened offers — sometimes called “preapproved” offers — are based on information in your credit report that indicates you meet certain criteria set by the offeror.

To learn more about identity theft and your credit rights under the FCRA and the Fair and Accurate Credit Transactions Act, visit ftc.gov/credit.

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.
**LAWS AND ACTS FOR FINANCIAL PROTECTION**

The **Servicemembers Civil Relief Act** (2003) is applicable to active-duty service members (and in certain cases extended to their dependents) as well as Reservists and members of National Guard (when in active federal service). The major legal protections of the law cover termination of residential leases, termination of automobile leases, evictions from leased housing, installment contracts, interest rate cap for pre-service debt and temporary stays on civil court proceedings due to military obligation.

The **Military Lending Act** (2007) offers protection from many predatory lending practices including payday loans, auto title loans and refund anticipation loans and mandates a federal interest rate cap of 36 percent on most financial products.

The **Credit Card Accountability, Responsibility and Disclosure Act** (2009) provides many consumer credit protections. For example, your credit card company generally cannot increase the rate on your existing balance and must tell you 45 days before increasing the rate for new transactions. The act places new limits on fees and rate increases and requires consistency in payment dates and times. See Truth in Lending Act.

The **Consumer Credit Protection Act** (1969) is an umbrella consumer protection law that includes the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, and the Truth in Lending Act.

The **Equal Credit Opportunity Act** (1974) prohibits discrimination in credit transactions on the basis of certain personal characteristics, such as race, color, religion, national origin, sex, marital status, age, because you receive public assistance, or because you've exercised your rights under the Consumer Credit Protection Act.

The **Fair Credit Billing Act** (1974) requires that a credit card company promptly credits your payments and corrects mistakes on your bill without damage to your credit score. It lets you dispute billing errors on your credit card and withhold payment for damaged goods. See Truth in Lending Act.

The **Fair Credit and Charge Card Disclosure Act** (1988) requires a lender offering you a credit card to tell you about certain terms on the card, such as the APR, the amount of any annual fee, and whether you have an interest-free period to pay your bill before any interest charges are added. See Truth in Lending Act.

The **Fair Credit Reporting Act** (1970) protects you against inaccurate or misleading information in credit files maintained by credit reporting agencies. It requires that you must be told what is in your credit file and have the ability to correct any errors.

The **Fair Debt Collection Practices Act** (1977) details the rules a debt collector must follow when trying to collect a debt from you. It prohibits collectors from engaging in abusive debt-collection practices, such as calling you outside of the hours of 8 a.m. to 9 p.m. local time or communicating with you at work after they have been advised that this is unacceptable or prohibited by the employer.

The **Truth in Lending Act** (1968) requires that lenders use uniform methods for computing the cost of credit and for disclosing credit terms so you can tell how much it will cost to borrow money. It limits your liability to $50 if your credit card is lost, stolen or used without your authorization, and it prohibits the unsolicited issuance of credit cards. The Fair Credit Billing Act and the Fair Credit and Charge Card Disclosures Act were later additions to the Truth in Lending Act, as are many provisions of the Credit CARD Act.

The **Fair and Accurate Credit Transaction Act** (2004) amended the Fair Credit Reporting Act and focuses on preventing identity theft, improving the use and consumer access to consumer reports, enhancing the accuracy of consumer reports, limiting the sharing of consumer information, improving financial education and literacy, and ensuring the pre-emption of state laws in areas which might conflict with federal legislation.
INVESTING RESOURCES

BOOKS:
- Barron’s Dictionary of Finance and Investment Terms
- Get a Financial Life: Personal Finance in your Twenties and Thirties, by Beth Kobliner
- Investing from Scratch: A Handbook for the Young Investor, by Marc Robinson
- Making the Most of Your Money, by Jane Bryant Quinn
- Master Your Money Type, by Jordan E. Goodman
- Personal Finance, by E. Thomas Garman and Raymond E. Forgue
- The Millionaire Next Door (Series), by Thomas J. Stanley and William D. Danko
- The Total Money Makeover, by Dave Ramsey
- The Truth About Money, by Ric Edelman
- The Wealthy Barber: Everyone’s Commonsense Guide to Becoming Financially Independent, by David Chilton
- Who’s Afraid to be a Millionaire, by Kelvin Boston
- Women and Money, by Suze Orman

NEWSPAPERS AND MAGAZINES:
- Barron’s
- Fortune
- Investor’s Business Daily
- Kiplingers
- Money
- Mutual Funds
- Smartmoney
- Wall Street Journal

INTERNET SITES:

Consumer Organizations
- www.consumerreports.org
- www.consumerworld.org
- www.choosetosave.org
- www.fpanet.org
- www.kiplinger.com
- www.militarysaves.org
- www.nefc.org
- www.ffsp.navy.mil
- www.ricedelman.com
- www.saveandinvest.org

Financial Planning and Education
- www.aaii.com
- www.afcpe.org
- www.morningstar.com

Government Agencies
- www.bls.gov
- www.consumer.gov
- www.fdic.gov
- www.federalreserve.gov
- www.ftc.gov
- www.loanconsolidation.ed.gov
- www.pueblo.gsa.gov
- www.sec.gov

Investing
- www.411stocks.com
- www.businessweek.com
- www.dailystocks.com
- www.fool.com
- www.fundalarm.com
- www.hoovers.com
- www.iclub.com
- www.moneycentral.msn.com
- www.morningstar.com
- www.savingforcollege.com
- www.savingsbonds.gov
- www.smartmoney.com
- www.superstarinvestor.com
- www.valueline.com
- www.zacks.com

Retirement
- www.choosetosave.org
- www.defenselink.mil
- www.militaryonesource.com
- www.ssa.gov
- www.tsp.gov

Taxes
- www.irs.gov

PERSONAL FINANCIAL MANAGEMENT PROGRAM
STANDARDIZED CURRICULUM
THINKING ABOUT INVESTING?

TIPS FOR USING THE INTERNET
The Internet has provided widespread access to even the most specialized investment information, giving the small investor research and information they never before had access to. Online trading provides instant access to accounts and near-instantaneous executions of trades. In this fast-moving environment, users must exercise caution to know investment risks and guard against loss. If you are thinking of using the Internet for investment research, the National Association of Securities Dealers Regulation (NASDR) suggests these guidelines to safe surfing:

1. Be your own watchdog. The Internet is vast, and regulatory resources are limited.
2. Question all advice.
3. Always consult other resources in addition to the Internet.
4. Do your own homework — do not take the word of an unknown source on the Internet.
5. Use good judgment. If it seems too good to be true, it probably is.
6. Ask for professional help if something appears suspect. Notify regulators before you act.

If you are thinking of using the Internet to conduct securities trades, the Securities Exchange Commission (SEC) offers these tips:

1. Before you trade, know why you are buying or selling and the risk of your investment.
2. Set your price limits on fast-moving stocks: use limit orders to protect from fast-moving stock prices.
3. Know your options for placing a trade if you are unable to access your account online.
4. If you place an order, do not assume it did not go through (and place subsequent orders). Talk to your firm if you are unsure.
5. If you cancel an order, make sure the cancellation worked before placing another trade.
6. No regulations require a trade to be executed within a certain time. However, firms should not exaggerate or fail to tell investors about the possibility of delays.

TIPS FOR HIRING A FINANCIAL PROFESSIONAL
Be sure to comparison shop for a financial professional just like you would for any other service. Financial professionals include:

- Financial planners and advisors (certified financial planner, chartered financial analyst, personal financial specialist). On the Certified Financial Planner Board of Standards website (www.cfp.net/learn) there are some good tips and an interviewing checklist for choosing a financial planner.
- Insurance agents and brokers (chartered life underwriter, chartered financial consultant)
- Tax preparers and enrolled agents
- Certified public accountants (CPA)
- Attorneys (tax, estate)
- Bankers
- Real estate agents and brokers

Additionally, information is available from the SEC (www.sec.gov/investor/brokers.htm) for vetting various financial professionals.

Financial professionals get paid for their services in a variety of ways — commissions, fees, a combination of commission and fees. The SEC recommends the following questions to ask before hiring a financial professional:

1. Are you licensed with the states or the SEC?
2. Do you have disciplinary problems on file with the NASD or states?
3. How are you compensated?
4. What is your relevant experience as a financial professional?
5. What kind of special education or training have you received?
6. How would you describe your investment philosophy?
7. Do you understand my financial goals and risk tolerance?
8. What other clients do you have who I could speak to?
9. What kind of periodic reports on my money should I expect from you?

Interview at least three financial professionals and choose the one that you feel most comfortable with, that you like, and that has satisfactorily answered the above questions.
INVESTING FOR THE LONG HAUL

Investor Smith has stocks worth $13,000.00.

Scenario A:
Investor Smith panicked when the stock market plummeted and sold off their stocks for:
$7,000.00
For a total net loss of -$6,000.00

Scenario B:
1 yr later:
Investor Smith left their money in this investment account and held onto their stocks. The stock price rose to $12,000.00, for a net loss of -$1000.00.

Scenario C:
2 yrs later:
Investor Smith left their money in this investment account and held onto their stocks. The stock price rose to $15,000.00, for a net gain of $2,000.00

This illustrates why it is important to think about some investments as long term investments. Long term investments are for the long haul and are intended to fluctuate over time. It is important to speak to your Personal Financial Management Specialist or your Command Financial Specialist to discuss any questions you have when going through the process of building your investment portfolio.
## Compound Interest and Time

**Rate of Return = 10%**

<table>
<thead>
<tr>
<th>Plan A</th>
<th>Plan B</th>
<th>Plan C</th>
<th>Plan D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Payment</td>
<td>Total</td>
<td>Payment</td>
</tr>
<tr>
<td>21</td>
<td>$3,000</td>
<td>$3,300</td>
<td>$0</td>
</tr>
<tr>
<td>22</td>
<td>$3,000</td>
<td>$6,930</td>
<td>$0</td>
</tr>
<tr>
<td>23</td>
<td>$3,000</td>
<td>$10,923</td>
<td>$0</td>
</tr>
<tr>
<td>24</td>
<td>$3,000</td>
<td>$15,315</td>
<td>$0</td>
</tr>
<tr>
<td>25</td>
<td>$3,000</td>
<td>$20,147</td>
<td>$0</td>
</tr>
<tr>
<td>26</td>
<td>$3,000</td>
<td>$25,462</td>
<td>$0</td>
</tr>
<tr>
<td>27</td>
<td>$0</td>
<td>$28,008</td>
<td>$0</td>
</tr>
<tr>
<td>28</td>
<td>$0</td>
<td>$30,808</td>
<td>$0</td>
</tr>
<tr>
<td>29</td>
<td>$0</td>
<td>$33,889</td>
<td>$0</td>
</tr>
<tr>
<td>30</td>
<td>$0</td>
<td>$37,278</td>
<td>$0</td>
</tr>
<tr>
<td>31</td>
<td>$0</td>
<td>$41,006</td>
<td>$0</td>
</tr>
<tr>
<td>32</td>
<td>$0</td>
<td>$45,107</td>
<td>$0</td>
</tr>
<tr>
<td>33</td>
<td>$0</td>
<td>$49,617</td>
<td>$0</td>
</tr>
<tr>
<td>34</td>
<td>$0</td>
<td>$54,579</td>
<td>$0</td>
</tr>
<tr>
<td>35</td>
<td>$0</td>
<td>$60,037</td>
<td>$0</td>
</tr>
<tr>
<td>36</td>
<td>$0</td>
<td>$66,041</td>
<td>$0</td>
</tr>
<tr>
<td>37</td>
<td>$0</td>
<td>$72,645</td>
<td>$0</td>
</tr>
<tr>
<td>38</td>
<td>$0</td>
<td>$79,990</td>
<td>$0</td>
</tr>
<tr>
<td>39</td>
<td>$0</td>
<td>$87,900</td>
<td>$0</td>
</tr>
<tr>
<td>40</td>
<td>$0</td>
<td>$96,690</td>
<td>$0</td>
</tr>
<tr>
<td>41</td>
<td>$0</td>
<td>$106,359</td>
<td>$0</td>
</tr>
<tr>
<td>42</td>
<td>$0</td>
<td>$116,995</td>
<td>$0</td>
</tr>
<tr>
<td>43</td>
<td>$0</td>
<td>$128,694</td>
<td>$0</td>
</tr>
<tr>
<td>44</td>
<td>$0</td>
<td>$141,564</td>
<td>$0</td>
</tr>
<tr>
<td>45</td>
<td>$0</td>
<td>$155,720</td>
<td>$0</td>
</tr>
<tr>
<td>46</td>
<td>$0</td>
<td>$171,292</td>
<td>$0</td>
</tr>
<tr>
<td>47</td>
<td>$0</td>
<td>$188,422</td>
<td>$0</td>
</tr>
<tr>
<td>48</td>
<td>$0</td>
<td>$207,264</td>
<td>$0</td>
</tr>
<tr>
<td>49</td>
<td>$0</td>
<td>$227,990</td>
<td>$0</td>
</tr>
<tr>
<td>50</td>
<td>$0</td>
<td>$250,789</td>
<td>$0</td>
</tr>
<tr>
<td>51</td>
<td>$0</td>
<td>$275,868</td>
<td>$0</td>
</tr>
<tr>
<td>52</td>
<td>$0</td>
<td>$303,455</td>
<td>$0</td>
</tr>
<tr>
<td>53</td>
<td>$0</td>
<td>$333,800</td>
<td>$0</td>
</tr>
<tr>
<td>54</td>
<td>$0</td>
<td>$367,180</td>
<td>$0</td>
</tr>
<tr>
<td>55</td>
<td>$0</td>
<td>$403,898</td>
<td>$0</td>
</tr>
<tr>
<td>56</td>
<td>$0</td>
<td>$444,288</td>
<td>$0</td>
</tr>
<tr>
<td>57</td>
<td>$0</td>
<td>$488,717</td>
<td>$0</td>
</tr>
<tr>
<td>58</td>
<td>$0</td>
<td>$537,589</td>
<td>$0</td>
</tr>
<tr>
<td>59</td>
<td>$0</td>
<td>$591,348</td>
<td>$0</td>
</tr>
<tr>
<td>60</td>
<td>$0</td>
<td>$650,482</td>
<td>$0</td>
</tr>
<tr>
<td>61</td>
<td>$0</td>
<td>$715,531</td>
<td>$0</td>
</tr>
<tr>
<td>62</td>
<td>$0</td>
<td>$787,084</td>
<td>$0</td>
</tr>
<tr>
<td>63</td>
<td>$0</td>
<td>$865,792</td>
<td>$0</td>
</tr>
<tr>
<td>64</td>
<td>$0</td>
<td>$952,371</td>
<td>$0</td>
</tr>
<tr>
<td>65</td>
<td>$0</td>
<td>$1,047,608</td>
<td>$0</td>
</tr>
</tbody>
</table>

| $18,000 | $18,000 | $105,000 | $30,000 |

### Personal Financial Management Program

**Standardized Curriculum**
THriftLIne
1-TSP-YOU-FRST
(1-877-968-3778)
Outside the U.S. and Canada
404-233-4400
TDD (for hearing-impaired participants)
1-TSP-THRIFT5
(1-877-847-4385)
You’re young.

Use time to your advantage. Save now, and even a little can mean a lot.

How $100 can become $100,000. Let’s say your basic pay is $2,000 per month, and you save 5% in your TSP account. That’s about $100 each month. If you leave the military after 10 years, you could have more than $17,300.* Even if you never add more money, that $17,300 could grow to almost $100,000 in 25 years.*

And consider this: If you contribute 10% of your pay the same way, you could have almost $200,000.* Can’t afford $100? Every dollar makes a difference. Plus, you can contribute incentive, special, and bonus pay.

You can take us with you. Your TSP account is yours to keep whether you’re with the uniformed services for 2 years or 20. Plus, if you take a federal job after the military, you can keep contributing to the TSP. Even if you don’t take a federal job, you can manage your investments at low cost while your savings grow.

Ready to save more? Here’s how:

1) Sign into myPay. Click “Traditional TSP and Roth TSP.”
2) Decide whether to make Roth or traditional contributions.
3) Choose how much of your pay you’d like to save (10%, for example).
4) Click “Save” at the bottom of the screen.

Our Roth option could work for you. “Roth” means you pay taxes on the money you save before it goes into your TSP account. So you pay no income taxes when you take it out, and your earnings can also be tax-free if certain conditions are met.** Any combat zone pay you receive is always tax-free. If you contribute it to our Roth option, that money can grow tax-free as well.**

Thousands of military members younger than 35 have $100,000 or more in their TSP accounts.

---

* Figures are based on the L 2050 Fund’s projected long-term returns. Returns are not guaranteed and may be substantially less.

** Roth earnings are paid tax-free if 1) you have reached age 59½ or have a permanent disability and 2) five years have passed since the year of your first Roth contribution.
The Thrift Savings Plan (TSP) is a retirement savings and investment plan designed to supplement (not replace) the military retirement check. It can provide retirement income in addition to your military pension and Social Security, helping to build financial stability and independence at retirement.

**DESCRIPTION AND BENEFITS**
- Defined-contribution plan, like a 401(k).
- Optional for participants.
- All contributions and earnings belong to the owner.
- Portable — you can take it with you to another employer or to a tax-deferred plan.
- Contributions are made with pre-tax dollars, and earnings are tax-deferred.
- Not subject to attachment for commercial debt.
- Choice of investment options.
- Flexible withdrawal/transfer options upon separation from service.
- Individual accounts.
- Personal identification number (PIN) for account access.
- Beneficiary designation.
- Money is invested at all times.
- No sales charges or account fees; very low fund expenses.
- Can join at any time.

**INVESTMENT OPTIONS**

**G FUND: THE GOVERNMENT SECURITIES INVESTMENT FUND**
- Managed by Thrift Investment Board.
- U.S. Treasury securities.
- Rate set monthly by Treasury Department.
- No negative return in its history.
- Generally the lowest returns over the long term: 10-year average 4.26 percent (2010).

**F FUND: THE FIXED INCOME INVESTMENT FUND**
- Tracks Barclays’s Capital U.S. Aggregate Index.
- High-quality notes and bonds (no junk bonds): representing all areas of investment-grade bond market.
- Some interest-rate risk, moderate return: 10-year average 5.91 percent (2010).

**C FUND: THE COMMON STOCK INDEX INVESTMENT FUND**
- Tracks S&P 500 Index.
- Common stocks of 500 largest U.S. corporations.
- Represents all sectors and industries of the U.S. stock market (about 75 percent of the total market).
- Moderate to high risk, higher potential return: 10-year average 1.42 percent (2010).
- Average return since inception (1988) is 9.55 percent.

**S FUND: THE SMALL CAP STOCK INDEX INVESTMENT FUND**
- Tracks the Dow Jones U.S. Completion Total Stock Market Index.
- Represents all listed public companies in the U.S. stock market that are not in the S&P 500.
- High risk, potentially higher return: Average return since inception (May 2001) 7.14 percent (2010) and a five-year return of 5.48 percent.
THE THRIFT SAVINGS PLAN: WEALTH-BUILDING MADE EASY

I FUND: THE INTERNATIONAL STOCK INVESTMENT FUND
- Tracks the Morgan Stanley EAFE Index.
- Diversified holdings from 21 countries in Europe, Australia, Asia and the Far East.
- Additional political risk and foreign-currency risk.
- Highest risk and high potential return: Average return since inception (May 2001) 4.43 percent (2010) and a five-year return of 2.61 percent.

L FUNDS: THE LIFECYCLE FUNDS
- Five funds that are different combinations of the G, F, C, S, and I Funds.
- Mixes are tailored to different time horizons based on year of retirement.
- L funds introduced in 2005.
- Diversification across other funds provides the highest possible rate of return for the amount of risk taken.
- Annual returns:

<table>
<thead>
<tr>
<th>Year</th>
<th>L income</th>
<th>L 2020</th>
<th>L 2030</th>
<th>L 2040</th>
<th>L 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7.59</td>
<td>13.72</td>
<td>15.00</td>
<td>16.53</td>
<td>--</td>
</tr>
<tr>
<td>2007</td>
<td>5.56</td>
<td>6.87</td>
<td>7.14</td>
<td>7.36</td>
<td>--</td>
</tr>
<tr>
<td>2008</td>
<td>-5.09</td>
<td>-22.77</td>
<td>-27.50</td>
<td>-31.53</td>
<td>--</td>
</tr>
<tr>
<td>2009</td>
<td>8.57</td>
<td>19.14</td>
<td>22.48</td>
<td>25.19</td>
<td>--</td>
</tr>
<tr>
<td>2010</td>
<td>5.74</td>
<td>10.59</td>
<td>12.48</td>
<td>13.89</td>
<td>--</td>
</tr>
</tbody>
</table>

LOANS
- Borrowed from personal account.
- General-purpose loan: Repay in one to five years.
- Primary residence loan: Repay in one to 15 years.
- Minimum amount: $1,000.
- Maximum amount: the lesser of either one-half of the account balance or $50,000. Not a substitute for an emergency fund.
- Must be repaid in full before separating from service.

WITHDRAWALS
- Withdrawals while on active duty are very limited:
  - Documented financial hardship.
- Upon separation from service, many withdrawal options for tax-deferred money:
  - Cash-out: Taxes and penalties before age 59½.
  - Leave in TSP: Will continue to grow; still can move money around; cannot make additional contributions.
  - Transfer to next employer’s 401(k).
  - Transfer to traditional IRA.
  - TSP annuity option.
- Tax-deferred contributions and earnings taxable when withdrawn.

FORMS
- TSP-1: Enrollment; increase contributions; decrease contributions; stop contributions.
- TSP-3: Beneficiary designation.
- TSP-50: Contribution allocation; interfund transfers (account reallocation).

RESOURCES
- TSP Thrifline.
  - (877) 968-3778
  - (404) 233-4400 (OCONUS)
- Command Financial Specialist (CFS).
- Financial educator at Marine Corps Community Services.
- Booklets available at TSP website:
  - Summary of TSP for the uniformed services
  - TSP Fund Information Sheets
  - TSP loan programs
  - In-Service Withdrawals
  - Annuities
  - Withdrawing Your TSP Account After Leaving Federal Service
Key Features

- The G Fund offers the opportunity to earn rates of interest similar to those of U.S. Government notes and bonds but without any risk of loss of principal and very little volatility of earnings.

- The objective of the G Fund is to maintain a higher return than inflation without exposing the fund to risk of default or changes in market prices.

- The G Fund is invested in short-term U.S. Treasury securities specially issued to the TSP. Payment of principal and interest is guaranteed by the U.S. Government. Thus, there is no “credit risk.”

- The interest rate resets monthly and is based on the weighted average yield of all outstanding Treasury notes and bonds with 4 or more years to maturity.

- Earnings consist entirely of interest income on the securities.

- Interest on G Fund securities has, over time, outpaced inflation and 90-day T-bills.

Information

as of December 31, 2015

Assets
$206.9 billion

Net Administrative Expenses
$0.29 per $1,000 account balance, 0.029% (2.9 basis points)

Rates of Return

2006–2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Year</td>
<td>2.04%</td>
</tr>
<tr>
<td>3-Year</td>
<td>2.08%</td>
</tr>
<tr>
<td>5-Year</td>
<td>2.03%</td>
</tr>
<tr>
<td>10-Year</td>
<td>2.94%</td>
</tr>
<tr>
<td>Since Inception</td>
<td>5.29%</td>
</tr>
</tbody>
</table>

Growth of $100
Since Inception

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Year</td>
<td>$20.04</td>
</tr>
<tr>
<td>3-Year</td>
<td>$60.24</td>
</tr>
<tr>
<td>5-Year</td>
<td>$100.03</td>
</tr>
<tr>
<td>10-Year</td>
<td>$209.44</td>
</tr>
<tr>
<td>Since Inception</td>
<td>$529.03</td>
</tr>
</tbody>
</table>

G Fund
$442

Inflation
$213
G Fund Facts

By law, the G Fund must be invested in nonmarketable U.S. Treasury securities specially issued to the TSP. The G Fund investments are kept by electronic entries, which do not involve any transaction costs to the TSP. The G Fund rate is set once a month by the U.S. Treasury based on a statutorily prescribed formula (described below), and all G Fund investments earn that interest rate for the month. (The G Fund rate is also used in other Government programs, such as the Social Security and Medicare trust funds and the Civil Service Retirement and Disability Fund.)

Although the securities in the G Fund earn a long-term interest rate, the Board’s investment in the G Fund is redeemable on any business day with no risk to principal. The value of G Fund securities does not fluctuate; only the interest rate changes. Thus, when the monthly G Fund interest rate goes up, G Fund earnings accrue faster; when the G Fund interest rate declines, G Fund earnings accrue more slowly.

Calculation of G Fund Rate —
G Fund securities earn a statutory interest rate equal to the average market yield on outstanding marketable U.S. Treasury securities with 4 or more years to maturity. The G Fund rate is calculated by the U.S. Treasury as the weighted average yield of approximately 125 U.S. Treasury securities on the last day of the previous month. The yield of the security has a weight in the G Fund rate calculation based on the amount outstanding. (The larger the dollar amount of a security outstanding, the larger its weight in the calculation.) The Treasury securities used in the G Fund rate calculation have a weighted average maturity of approximately 11 years.

The G Fund Yield Advantage — The G Fund rate calculation results in an intermediate-term rate being earned on short-term securities. Because intermediate-term interest rates are generally higher than short-term rates, G Fund securities usually earn a higher rate of return than do short-term marketable Treasury securities. In the chart above, the G Fund rate is compared with the rate of return on 90-day marketable Treasury securities (T-bills). From April 1987 through December 2015, the G Fund rate was, on average, 1.83 percentage points higher per year than the 90-day T-bill rate.
Key Features

- The F Fund offers the opportunity to earn rates of return that exceed those of money market funds over the long term (particularly during periods of declining interest rates), with relatively low risk.

- The objective of the F Fund is to match the performance of the Barclays Capital U.S. Aggregate Bond Index, a broad index representing the U.S. bond market.

- The risk of nonpayment of interest or principal (credit risk) is relatively low because the fund includes only investment-grade securities and is broadly diversified. However, the F Fund has market risk (the risk that the value of the underlying securities will decline) and prepayment risk (the risk that a security in the fund will be repaid before it matures).

- Earnings consist of interest income on the securities and gains (or losses) in the value of the securities.

---

Growth of $100
Since Inception

- F Fund: $575
- Inflation: $207

<table>
<thead>
<tr>
<th>Year</th>
<th>F Fund</th>
<th>U.S. Aggregate Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Year</td>
<td>0.91%</td>
<td>0.55%</td>
</tr>
<tr>
<td>3-Year</td>
<td>1.93%</td>
<td>1.44%</td>
</tr>
<tr>
<td>5-Year</td>
<td>3.57%</td>
<td>3.25%</td>
</tr>
<tr>
<td>10-Year</td>
<td>4.74%</td>
<td>4.51%</td>
</tr>
<tr>
<td>Since Inception</td>
<td>6.45%</td>
<td>6.56%</td>
</tr>
</tbody>
</table>

* After expenses
F Fund Facts

By law, the F Fund must be invested in fixed-income securities. The Federal Retirement Thrift Investment Board has chosen to invest the F Fund in an index fund that tracks the Barclays Capital U.S. Aggregate (U.S. Aggregate) Bond Index, formerly the Lehman Brothers U.S. Aggregate Index, a broadly diversified index of the U.S. bond market.

The U.S. Aggregate Index consists of high-quality fixed-income securities with maturities of more than one year. The index is comprised of Treasury and Agency bonds, asset-backed securities, and corporate and non-corporate bonds. On December 31, 2015, the index included 9,720 notes and bonds. Its yield to maturity* was 3.09%. The average duration (a measure of interest rate risk) of the U.S. Aggregate Index was 5.31 years, which means that a 1% increase (decrease) in interest rates could be expected to result in a 5.31% decrease (increase) in the price of a security. New issues are added continuously to the U.S. Aggregate Index, and older issues drop out as they move to within one year of maturity.

F Fund Investments — The F Fund is invested in a separate account that is managed by BlackRock Institutional Trust Company, N.A. Because the U.S. Aggregate Index contains such a large number of securities, it is not feasible for the F Fund to invest in each security in the index. Instead, BlackRock selects a large representative sample of the various types of asset-backed, U.S. Government, corporate, and foreign government securities included in the overall index. Within each sector, BlackRock selects securities that, as a whole, are designed to match important index characteristics such as duration, yield, and credit rating. The performance of the F Fund is evaluated on the basis of how closely its returns match those of the U.S. Aggregate Index.

Note: Participants’ interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the first two IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can only move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)

* The yield to maturity is the rate of return anticipated on a bond if held until the end of its lifetime (maturity date). It is expressed as an annual rate and takes into account a bond’s current market price, its face (or par) value, coupon rate, and the time until it matures. It also assumes that all future coupon payments over the life of the bond are reinvested at the bond’s current yield.
C Fund
COMMON STOCK INDEX INVESTMENT FUND

Key Features

- The C Fund offers the opportunity to earn a potentially high investment return over the long term from a broadly diversified portfolio of stocks of large and medium-sized U.S. companies.

- The objective of the C Fund is to match the performance of the Standard & Poor’s 500 (S&P 500) Index, a broad market index made up of stocks of 500 large to medium-sized U.S. companies.

- There is a risk of loss if the S&P 500 Index declines in response to changes in overall economic conditions (market risk).

- Earnings consist of gains (or losses) in the prices of stocks and dividend income.

Growth of $100
Since Inception

S&P 500 Top Ten Holdings
as of December 31, 2015

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Ticker</th>
<th>C Fund* (%)</th>
<th>S&amp;P 500 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Inc.</td>
<td>A</td>
<td>1.46%</td>
<td>1.38%</td>
</tr>
<tr>
<td>Microsoft Corporation</td>
<td>MSFT</td>
<td>15.21%</td>
<td>15.13%</td>
</tr>
<tr>
<td>Exxon Mobil Corporation</td>
<td>XOM</td>
<td>12.63%</td>
<td>12.57%</td>
</tr>
<tr>
<td>General Electric Company</td>
<td>GE</td>
<td>7.36%</td>
<td>7.31%</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>JNJ</td>
<td>10.09%</td>
<td>10.03%</td>
</tr>
<tr>
<td>Amazon.com Inc.</td>
<td>AMZN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wells Fargo &amp; Company</td>
<td>WFC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Berkshire Hathaway Inc. Class B</td>
<td>BHE.I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Company</td>
<td>JPM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facebook Inc. Class A</td>
<td>FB</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* After expenses
C Fund Facts

By law, the C Fund must be invested in a portfolio designed to replicate the performance of an index of stocks representing the U.S. stock markets. The Federal Retirement Thrift Investment Board has chosen as its benchmark the Standard & Poor’s 500 (S&P 500) Index, which tracks the performance of major U.S. companies and industries.

The **S&P 500 Index** is an index of 500 large to medium-sized U.S. companies that are traded in the U.S. stock markets. The index was designed by Standard & Poor’s Corporation (S&P) to provide a representative measure of U.S. stock markets’ performance. The companies in the index represent 156 industries classified into the 10 major sector groups shown in the chart. The stocks in the S&P 500 Index represent approximately 81% of the market value of the U.S. stock markets.

The S&P 500 is considered a “big company” index. As of December 31, 2015, the largest 100 companies in the S&P 500 represented approximately 64% of the index’s market value. The S&P 500 Index includes 384 securities traded on the New York Stock Exchange and 120 securities that are traded on the NASDAQ. The market value of the largest company in the index is approximately $587 billion; the market value of the smallest company is approximately $2.9 billion.

The S&P 500 Index is weighted by float-adjusted market capitalization, in which a company’s market value and its weighting in the index are calculated using the number of shares that are freely traded, rather than all outstanding shares. Shares that are not freely traded, such as the holdings of controlling shareholders and their families, company management, and other companies, are excluded from the calculation. A company’s weighting in the index is the float-adjusted market value of the company (that is, the share price multiplied by the number of freely traded shares outstanding) as a percentage of the combined float-adjusted market value of all companies in the index.

**C Fund Investments**— The C Fund is invested in a separate account that is managed by BlackRock Institutional Trust Company, N.A. The C Fund holds all the stocks included in the S&P 500 Index in virtually the same weights that they have in the index. The performance of the C Fund is evaluated on the basis of how closely its returns match those of the S&P 500 Index. A portion of the C Fund assets is reserved to meet the needs of daily participant activity. This liquidity reserve is invested in S&P 500 Index futures contracts.

**Note:** Participants’ interfund transfer (IFT) requests redistribute their existing account balances among any or all of the TSP funds. After that, for the remainder of the month, IFTs can only move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)

---

**S&P 500 Index**

Major Industry Groups*

December 31, 2015

- **Health Care** 15.2%
- **Financials** 16.5%
- **Information Technology** 20.7%
- **Raw Health Care**
- **Consumer Discretionary** 12.9%
- **Industrials** 10.1%
- **Consumer Staples** 10.1%
- **Energy** 6.5%
- **Telecom Services** 2.4%
- **Utilities** 3.0%
- **Materials** 2.8%
- **Health Care**

* Due to rounding, numbers may not add up to exactly 100%.
Information  
as of December 31, 2015

Assets  
$50.2 billion

Net Administrative Expenses*  
$0.29 per $1,000 account balance,  
0.029% (2.9 basis points)

Other Expenses*  
0.038%

* An expense ratio of 0.029% translates to 29 basis points or $0.29 per $1,000 account balance.  
Fees associated with securities lending are not included in 2015 administrative expenses.  
Consistent with standard practice in the industry, they are charged in addition to administrative  
expenses. The other expenses represent fees paid to the investment manager for administering  
securities lending programs. Income earned from these programs improved the returns of the fund.

Benchmark Index  
Dow Jones U.S. Completion TSM Index  
www.djindexes.com

Asset Manager  
BlackRock Institutional Trust Company, N.A.

Rates of Return  
2006–2015

Dow Jones U.S. Completion TSM Index  
S Fund*

<table>
<thead>
<tr>
<th>Year</th>
<th>Dow Jones U.S. Completion TSM Index</th>
<th>S Fund*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Year</td>
<td>-2.92%</td>
<td>-3.42%</td>
</tr>
<tr>
<td>3-Year</td>
<td>13.13%</td>
<td>12.79%</td>
</tr>
<tr>
<td>5-Year</td>
<td>10.65%</td>
<td>10.24%</td>
</tr>
<tr>
<td>10-Year</td>
<td>8.03%</td>
<td>7.86%</td>
</tr>
<tr>
<td>Since Inception</td>
<td>8.32%</td>
<td>8.27%</td>
</tr>
</tbody>
</table>

* After expenses

Key Features

- The S Fund offers the opportunity to earn a potentially high investment return over the long term by investing in the stocks of small and medium-sized U.S. companies.

- The objective of the S Fund is to match the performance of the Dow Jones U.S. Completion Total Stock Market (TSM) Index, a broad market index made up of stocks of U.S. companies not included in the S&P 500 Index.

- There is a risk of loss if the Dow Jones U.S. Completion TSM Index declines in response to changes in overall economic conditions (market risk).

- Earnings consist of gains (or losses) in the prices of stocks and dividend income.

Dow Jones U.S. Completion TSM Index Top Ten Holdings  
as of December 31, 2015

LinkedIn Corporation Class A  
Liberty Global PLC Class C  
Tesla Motors Inc.  
Incyte Corporation  
BioMarin Pharmaceutical Inc.  

Las Vegas Sands Corporation  
Charter Communications Inc. Class A  
Citizens Financial Group Inc.  
Twitter Inc.  
SBA Communications Corporation
S Fund Facts

By law, the S Fund must be invested in a portfolio designed to replicate the performance of an index of U.S. common stocks, excluding those that are held in the C Fund. The Federal Retirement Thrift Investment Board has chosen as its benchmark the Dow Jones U.S. Completion Total Stock Market Index, which tracks the performance of the actively traded non-S&P 500 stocks in the U.S. stock markets.

The Dow Jones U.S. Completion Total Stock Market Index is an index of all actively traded U.S. common stocks that are not included in the S&P 500 Index. The index is designed to be the broadest measure of the non-S&P 500 domestic stock markets. As of December 31, 2015, the index was comprised of 3,434 common stocks. The Dow Jones U.S. Completion TSM Index made up approximately 19% of the market value of the U.S. stock markets; the S&P 500 accounted for the other 81%. Thus, the combined S Fund and C Fund cover virtually the entire U.S. stock markets.

The Dow Jones U.S. Completion TSM Index is weighted by float-adjusted market capitalization, in which a company’s market value and its weighting in the index are calculated using the number of shares that are freely traded, rather than all outstanding shares. Shares that are not freely traded, such as the holdings of controlling shareholders and their families, company management, and other companies, are excluded from the calculation. A company’s weighting in the index is the float-adjusted market value of the company (that is, the share price multiplied by the number of freely traded shares outstanding) as a percentage of the combined float-adjusted market value of all companies in the index. As of December 31, 2015, the largest 100 companies in the Dow Jones U.S. Completion TSM Index represented approximately 24% of the index.

S Fund Investments—The S Fund is invested in a separate account that is managed by BlackRock Institutional Trust Company, N.A. The Fund is invested in the Dow Jones U.S. Completion TSM Index, which contains a large number of stocks, including illiquid stocks with low trading volume and stocks with prices lower than $1.00 per share. Therefore, it is not efficient for the Fund to invest in every stock in the index. The S Fund holds the stocks of most of the companies in the index with market values greater than $1 billion. However, a mathematical sampling technique is used to select among the smaller stocks. The mathematical model considers size and industry group to match the industry weights in the index. Within each industry group, the stocks that are chosen are expected to produce a return that is very close to the industry’s return in the Dow Jones U.S. Completion TSM Index. The performance of the S Fund is evaluated on the basis of how closely its returns match those of the Dow Jones U.S. Completion TSM Index.

A portion of S Fund assets is reserved to meet the needs of daily client activity. This liquidity reserve is invested in futures contracts of the S&P 400 and Russell 2000 (other broad equity indexes).

Note: Participants’ interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the first two IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can only move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)
Key Features

- The I Fund offers the opportunity to earn a potentially high investment return over the long term by investing in the stocks of companies in developed countries outside the United States.

- The objective of the I Fund is to match the performance of the MSCI EAFE (Europe, Australasia, Far East) Index.

- There is a risk of loss if the EAFE Index declines in response to changes in overall economic conditions (market risk) or in response to increases in the value of the U.S. dollar (currency risk).

- Earnings consist of gains (or losses) in the prices of stocks, currency changes relative to the U.S. dollar, and dividend income.

Information as of December 31, 2015

Assets
$34 billion

Net Administrative Expenses*
$0.29 per $1,000 account balance, 0.029% (2.9 basis points)

Other Expenses*
0.015%

* An expense ratio of 0.029% translates to 2.9 basis points or $0.29 per $1,000 account balance. Fees associated with securities lending are not included in 2015 administrative expenses. Consistent with standard practice in the industry, they are charged in addition to administrative expenses. The other expenses represent fees paid to the investment manager for administering securities lending programs. Income earned from these programs improved the returns of the fund.

Benchmark Index
MSCI EAFE Stock Index
www.msci.com

Asset Manager
BlackRock Institutional Trust Company, N.A.

Rates of Return 2006–2015

<table>
<thead>
<tr>
<th>Year</th>
<th>I Fund*</th>
<th>EAFE Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Year</td>
<td>-0.51%</td>
<td>-0.81%</td>
</tr>
<tr>
<td>3-Year</td>
<td>4.80%</td>
<td>5.01%</td>
</tr>
<tr>
<td>5-Year</td>
<td>3.79%</td>
<td>3.60%</td>
</tr>
<tr>
<td>10-Year</td>
<td>3.20%</td>
<td>3.03%</td>
</tr>
<tr>
<td>Since</td>
<td>4.23%</td>
<td>4.10%</td>
</tr>
<tr>
<td>Inception, May 1, 2001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* After expenses

Growth of $100 Since Inception

MSCI EAFE Top Ten Holdings as of December 31, 2015

<table>
<thead>
<tr>
<th>Position</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nestle SA</td>
</tr>
<tr>
<td>2</td>
<td>Novo Nordisk A/S Class B</td>
</tr>
<tr>
<td>3</td>
<td>Novartis AG</td>
</tr>
<tr>
<td>4</td>
<td>Commonwealth Bank of Australia</td>
</tr>
<tr>
<td>5</td>
<td>Roche Holding Ltd</td>
</tr>
<tr>
<td>6</td>
<td>Bayer AG</td>
</tr>
<tr>
<td>7</td>
<td>Toyota Motor Corporation</td>
</tr>
<tr>
<td>8</td>
<td>British American Tobacco PLC</td>
</tr>
<tr>
<td>9</td>
<td>HSBC Holdings PLC</td>
</tr>
<tr>
<td>10</td>
<td>Sanofi</td>
</tr>
</tbody>
</table>
I Fund Facts

By law, the I Fund must be invested in a portfolio designed to track the performance of an index of common stocks representing international stock markets outside of the United States. The Federal Retirement Thrift Investment Board has chosen as its benchmark the MSCI EAFE (Europe, Australasia, Far East) Index, which tracks the overall performance of the major companies and industries in the European, Australian, and Asian stock markets.

A significant component of the return of the EAFE Index (and the I Fund) results from changes in the value of the U.S. dollar relative to the currencies of the countries represented in the index. For example, the EAFE Index returned 7.75% in 2010, but that return included a decrease in the value of the U.S. dollar, which increased the return by 2.93%.

The EAFE Index, published by MSCI, is an index of the equity markets of the developed world outside of the United States and Canada. It is the most widely used international stock index. As of December 31, 2015, the index covered the equity markets of 21 countries, as shown in the table.

The companies in the EAFE Index are large companies. The index is weighted by float-adjusted market capitalization, in which a company’s market value and its weighting in the index are calculated using the number of shares that are freely traded, rather than all outstanding shares. Shares that are not freely traded, such as the holdings of controlling shareholders and their families, company management, and other companies, are excluded from the calculation. Also excluded are shares subject to foreign ownership limitations imposed by governments or companies. Within each country, a company’s weighting is the float-adjusted market value of the company (that is, the share price multiplied by the number of freely traded shares outstanding) as a percentage of the combined float-adjusted market value of all companies in the index. Similarly, a country’s weighting in the EAFE Index is the float-adjusted market value of its stock market as a percentage of the combined float-adjusted market value of all stock markets included in the EAFE Index.

The I Fund is invested in a separate account that is managed by BlackRock Institutional Trust Company, N.A.

The I Fund will differ from that of the EAFE Index on days when BlackRock makes a “fair valuation” adjustment to the price of the securities held by the fund. Fair valuation adjustments are made on days when there are large movements in either U.S. equity markets or currency exchange rates after the foreign markets have closed. Fair valuation prevents traders from exploiting “stale” prices, thus diluting the returns of other TSP participants who invest in the I Fund.

The performance of the I Fund is evaluated on the basis of how closely its returns match those of the EAFE Index. A portion of the I Fund’s assets is reserved to meet the needs of daily client activity. This liquidity reserve is invested in futures contracts.

### EAFE Equity Index Fund

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent of Holdings*</th>
<th>Number of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total EAFE Index</strong></td>
<td>100.0%</td>
<td>926</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>0.2</td>
<td>5</td>
</tr>
<tr>
<td>Belgium</td>
<td>1.4</td>
<td>11</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.9</td>
<td>15</td>
</tr>
<tr>
<td>Finland</td>
<td>0.9</td>
<td>12</td>
</tr>
<tr>
<td>France</td>
<td>9.7</td>
<td>74</td>
</tr>
<tr>
<td>Germany</td>
<td>9.1</td>
<td>55</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.4</td>
<td>4</td>
</tr>
<tr>
<td>Italy</td>
<td>2.4</td>
<td>25</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.9</td>
<td>24</td>
</tr>
<tr>
<td>Norway</td>
<td>0.6</td>
<td>9</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.2</td>
<td>4</td>
</tr>
<tr>
<td>Spain</td>
<td>3.2</td>
<td>25</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.9</td>
<td>30</td>
</tr>
<tr>
<td>Switzerland</td>
<td>9.4</td>
<td>40</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>19.4</td>
<td>113</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Australasia/Far East</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>6.8</td>
<td>72</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>3.1</td>
<td>43</td>
</tr>
<tr>
<td>Israel</td>
<td>0.8</td>
<td>12</td>
</tr>
<tr>
<td>Japan</td>
<td>23.4</td>
<td>318</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.2</td>
<td>7</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.3</td>
<td>28</td>
</tr>
<tr>
<td><strong>Australasia/Far East</strong></td>
<td>35.5%</td>
<td>480</td>
</tr>
</tbody>
</table>

Source: BlackRock

* Due to rounding, numbers may not add up to exactly 100%.

Note: Participants’ interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the first two IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can only move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)
L Funds

Key Features

- The L Funds diversify participant accounts among the G, F, C, S, and I Funds using professionally determined investment mixes (allocations) that are tailored to different time horizons. The L Funds are rebalanced to their target allocations each business day. The investment mix of each fund adjusts quarterly to more conservative investments as the fund’s time horizon shortens.

- The objective of the L Funds is to provide the highest expected rate of return for the amount of risk expected.

- Investing in the L Funds is not a guarantee against loss and does not eliminate risk. The L Funds are subject to the risks inherent in the underlying funds, and can have periods of gain and loss.

- The L Funds’ returns will be approximately equal to the weighted average of the G, F, C, S, and I Funds’ returns. Earnings are calculated daily, and there is a daily share price for each L Fund.

Allocation Targets*

As of January 2016

Information

as of December 31, 2015

Assets

$80.2 billion

Net Administrative and Other Expenses*

<table>
<thead>
<tr>
<th>Fund</th>
<th>2015 Net Expenses</th>
<th>Other Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>L 2050</td>
<td>.029%</td>
<td>.013%</td>
</tr>
<tr>
<td>L 2040</td>
<td>.029%</td>
<td>.012%</td>
</tr>
<tr>
<td>L 2030</td>
<td>.029%</td>
<td>.010%</td>
</tr>
<tr>
<td>L 2020</td>
<td>.029%</td>
<td>.007%</td>
</tr>
<tr>
<td>L Income</td>
<td>.029%</td>
<td>.003%</td>
</tr>
</tbody>
</table>

* An expense ratio of .029% translates to 2.9 basis points or $0.29 per $1,000 account balance. Fees associated with securities lending are not included in 2015 administrative expenses. Consistent with standard practice in the industry, they are charged in addition to administrative expenses. The other expenses represent fees paid to the investment manager for administering securities lending programs. Income earned from these programs improved the returns of the fund.

Investment Objective

<table>
<thead>
<tr>
<th>Fund</th>
<th>Growth</th>
<th>Preservation of Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>L 2050</td>
<td>High</td>
<td>Very Low</td>
</tr>
<tr>
<td>L 2040</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>L 2030</td>
<td>Moderate/High</td>
<td>Low</td>
</tr>
<tr>
<td>L 2020</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>L Income</td>
<td>Low</td>
<td>High</td>
</tr>
</tbody>
</table>

Time Horizons

(when you expect to need the money)

Choose: If your time horizon is:

- L 2050 2045 or later
- L 2040 2035 through 2044
- L 2030 2025 through 2034
- L 2020 2017 through 2024
- L Income Now withdrawing or withdrawing before 2017

Inception

The first L Funds were introduced August 1, 2005

* Due to rounding, numbers may not add up to exactly 100%.
L Fund Facts

The L Funds are intended to meet the investment needs of TSP participants with time horizons that fall into five different date ranges, as shown on page 1. The five L Funds were designed for the TSP by Mercer Investment Consulting, Inc. The asset allocations are based on Mercer’s assumptions regarding future investment returns, inflation, economic growth, and interest rates. The TSP reviews these assumptions at least annually to determine whether changes to the allocations are warranted.

L 2050, L 2040, L 2030, and L 2020 are for participants with time horizons that fall within the defined date ranges. The asset allocations of these funds are adjusted quarterly, moving to a more conservative mix, gradually approaching that of the L Income Fund. Between quarterly adjustments, the asset allocation of each fund is maintained through daily rebalancing to that fund’s target allocation. When a fund reaches its horizon, it will roll into the L Income Fund, and a new fund will be added with a more distant time horizon. For example, in 2010, the L 2010 Fund rolled into the L Income Fund, and shortly thereafter the L 2050 Fund was created.

The L Income Fund is designed to produce current income for participants who are already receiving money from their accounts through monthly payments and for participants who plan to withdraw or to begin withdrawing from their accounts in the near future. The asset allocation of the L Income Fund does not change over time; it is maintained through daily rebalancing.

The charts on page 1 show the January 2016 target allocations of the L Income, L 2020, L 2030, L 2040, and L 2050 Funds in each of the five underlying TSP funds. The allocation to the G Fund, which has the least amount of risk, is largest in the L Income Fund, and becomes successively smaller with the more distant target dates. In contrast, the allocations to the C, S, and I Funds, which carry varying degrees of risk, but also the potential for higher returns, are largest in the L 2050 and smallest in the L Income Fund.

The graph above depicts the expected return and risk associated with each of the five L Funds based on the target allocations. The expected returns are derived from Mercer’s economic assumptions and are not guaranteed. Expected variability of the investment returns is a measure of risk in investing. For each risk level, there is an “optimal” asset allocation that has the highest expected return. The collection of optimal asset allocations make up the “Efficient Frontier,” which is shown by the curve. Asset allocations that are below the Efficient Frontier are less than optimal, because there is an asset allocation along the frontier that has a higher expected return for the same level of risk, or lower risk for the same expected return. The five TSP L Funds have asset allocations that correspond to points shown on the Efficient Frontier. Putting your entire TSP account into one of the L Funds will help you to achieve the best expected return for the amount of expected risk that is appropriate for your time horizon.

Over time, the L Funds (except for the L Income Fund) will “roll down” the Efficient Frontier. That means that as their allocations are adjusted each quarter, the funds shift left on the line, becoming less risky until they eventually merge into the L Income Fund.

The administrative expenses associated with the L Funds are those of the underlying G, F, C, S, and I Funds, calculated in proportion to their allocations in each L Fund. The L Funds do not have any additional charges. There are no restrictions on investing in the L Funds. You may invest any part of your TSP account in any L Fund, and even invest in more than one L Fund. But it is recommended that you put your entire TSP account into just one L Fund — the one with the target date that is closest to your time horizon. Any other strategy may result in an asset allocation that is less than optimal (i.e., not on the Efficient Frontier), or that is not suited to your investment time horizon.

Remember, however, that expected risk and return are based on assumptions about future economic conditions and investment performance. There is no guaranteed rate of return for any period, either short-term or long-term. For the L Funds’ historical returns, visit “Fund Performance” at tsp.gov. Past performance does not guarantee future results.

Note: Participants’ interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the first two IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can only move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)