

PERMANENT CHANGE OF STATION (PCS)

COAST GUARD FINANCIAL READINESS

Moving often means adjusting to change and starting new routines. This is especially true for your finances and cash flow. This checklist, supplemented with information and referrals from the Health, Safety and Work-Life (HSWL) Regional Practice staff, can help you to prepare for the main financial considerations of a PCS and make sound financial decisions.

HANDOUTS

- Spending Plan Worksheet
- Financial Planning Worksheet for a PCS Move
- Understanding Credit
- Military Consumer Protection
- Servicemembers Civil Relief Act
- Sources of Help for Military Consumers
- Major Purchases
- 5 Rules of Buying a House
- Estimated Travel Costs for a PCS

★ Basic Finance

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

Counselor: *Inform members that you can provide a **Spending Plan Worksheet Handout** as well as more detailed templates with features that can help them understand their financial situation and reduce excessive debt.*

Step 1 — Understand your current situation

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

Step 2 — Know where your money should go

Financial experts offer these general guidelines when budgeting your money:

- Try to save and/or invest 10% – 15% of pretax pay.
- Strive to keep transportation expenses including car payments, insurance, gas and maintenance to 15% – 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, and maintenance to your Basic Allowance for Housing or 25% – 30% or less of pretax pay.

Step 3 — Create a plan

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

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



Counselor: *Share with members the concepts of paying yourself first, automating savings, and keeping their emergency fund in a separate account. Suggest they make it effortless by setting up an automatic transfer through their bank or an allotment, time permitting.*

Step 4 — Make adjustments

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

- ☐ Identify changes in pay, expenses and taxes from your current duty station to your next duty station.
 - Budgeting to live on one income is a great way to reduce financial-related stress during a PCS. The second income, once re-established, can be used to save for goals and quality-of-life improvements. Using this strategy can reduce a long-term debt and reduce stress if there is a pay issue during the move.
 - Potential changes to income could include an increase or decrease in pay, to include: Cost-of-Living Allowance (COLA), Basic Allowance for Housing (BAH), Special and Incentive Pay, and spousal income. Visit <https://www.travel.dod.mil/Allowances> to calculate expected changes to your pay.
 - Potential changes to your expenses at your next duty station may include an increase or decrease in: housing, transportation, insurance, child care, food, fuel and utilities. It's important to establish a spending plan so you can identify and adjust to these changes.
 - Your tax liability could change depending on where you are relocated. Speak to a tax professional or CG SUPRT Money Coach to discuss your specific situation.
- ☐ Notify your financial institutions and creditors of your upcoming move. Consider setting up automatic bill pay to avoid missed or late payments. Confirm all transactions have cleared your bank or credit union account, if you plan to switch financial institutions at your next duty station.
- ☐ Check each of your three major credit reports for free at <https://www.annualcreditreport.com>. Coast Guard members can request free credit monitoring services from the nationwide credit reporting agencies: Equifax, Experian, and TransUnion. Review the *Understanding Credit* Handout for more information. Coast Guard members and spouses can sign up for free credit monitoring with CG SUPRT. This service also provides a free credit score every 30 days. Review *Understanding Credit* Handout for more information on credit.

Equifax: <https://www.equifax.com/personal/credit-report-services>

Experian: <https://www.experian.com/help>

TransUnion: <https://www.transunion.com/credit-help>

Counselor: *Remind members that a Personal Financial Manager, can provide a free copy of their credit report, help them interpret their reports and discuss what they need to do to improve their scores.*

- ☐ Develop a plan for managing and paying off your debt. Help is available through the Personal Financial Managers (PFMs) at your local Health, Safety and Work-Life (HSWL) Regional Practice, through CG SUPRT Money Coaches or using <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Finred.usalearning.gov%2Fassets%2Fdownloads%2F-Debt%2520Destroyer%2520Tool.xlsx&wdOrigin=BROWSELINK> or <https://extension.usu.edu/powerpay>.
- ☐ Consider the pros and cons of changing state residency. The Military Spouses Residency Relief Act (MSRRA) gives the spouse of an Active Duty Service member the option not to change state residency when relocating to a new state due to a PCS. Changing may not be the best option for a spouse because it may impact state income tax, personal property taxes, car registration, and voter registration.
- ☐ Under MSRRA, if your spouse plans to work in the new location and not change residency, they should file their IRS Form W4 with their employer.

Additional notes: _____

★ Consumer Protection

- ☐ Review the *Military Consumer Protection* and *Servicemembers Civil Relief Act* Handouts for additional information on identity theft and Military Lending Act (MLA).

Counselor: *Remind members their local legal assistance office can assist by reviewing contracts to help prevent members from falling victim to predatory lenders and fraudsters.*

- ☐ Protect yourself from misleading consumer practices and know basic procedures for handling a consumer complaint or dispute. Review the *Sources of Help for Military Consumers* Handout.

Additional notes: _____

★ Major Purchases

- ☐ Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases related to your PCS. Review the *Major Purchases* and *5 Rules of Buying a House* Handouts for more information.

Additional notes: _____

★ Planning for the Future

- Evaluate your life insurance needs before you deploy to ensure you have enough coverage, the right type of coverage, and correct beneficiaries. A simple method to calculate your life insurance needs is to use the acronym LIFE. Start by totaling all four categories listed below.

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

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

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

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

Counselor: *Remind members to ask questions and fully understand any commercial life insurance policy they are considering. They should understand the cost, coverage, terms and conditions, as well as how the agent is compensated before making a decision to buy.*

Additional notes: _____

★ Compensation, Benefits, and Entitlements




- Speak with your unit Admin/Service Personnel Offices (SPOs) for the most up-to-date information on travel pay and allowances specific to your situation or visit <https://www.travel.dod.mil/Travel-Transportation-Rates>.

Typical Travel Pay and Allowances

Allowance	Purpose
Mileage reimbursement	Offset driving costs
Per diem	Cover hotel and meals
Dislocation allowance (DLA)	Partially reimburse expenses incurred while relocating.
Cost-of-Living Adjustment (COLA)	Allowance designed to help offset higher prices in the highest cost locations
Overseas Housing Allowance (OHA)	Offset overseas housing costs when on-base or government housing is not available
Move-in Housing Allowance (MIHA)	Available only Outside of the Continental United States (OCONUS) to help cover costs of miscellaneous expenses like appliances, lease taxes, one-time rent related expenses or security expenses.
Temporary Lodging Expense (TLE)	Partially pay members for lodging/meal expenses incurred by a member/dependent(s) while occupying temporary lodging in the Continental United States (CONUS).
Temporary Lodging Allowance (TLA)	Partially pay members for higher than normal expenses incurred by a member or dependent while occupying temporary lodging OCONUS.

- Create your PCS Spending Plan using the *Financial Planning Worksheet for a PCS Move* Handout by estimating your expected cash inflow from travel pay and allowances and expected PCS expenses.

- Use the Government Travel Charge Card (GTCC) during your PCS to cover authorized expenses. Remember, your GTCC is for official travel-related expenses **ONLY** and misuse can subject you to administrative or disciplinary action. You will be responsible to pay any overages on the GTCC that are not covered by reimbursement, so it is important to develop an estimated cost of what is reimbursable. For questions, contact the 24-hour GTCC PCS Support Cell at 1-833-330-MNCC (1-833-330-6622).

Dependent Travel 	Authorized Expenses 	Unauthorized Expenses 
<ul style="list-style-type: none"> • Coast Guard members traveling concurrently with their dependents can choose to use the GTCC for all PCS expenses for the family. • Members with dependents traveling separately (non-concurrently) cannot use the GTCC for both sets of travel. - In this case, the GTCC may only be used by the members for their personal travel expenses. - Dependents traveling separately cannot use the GTCC for any part of their travel expenses. <p><i>* A travel advance must be requested for non-concurrent dependent travel via the existing process</i></p>	<ul style="list-style-type: none"> • Temporary Lodging Expense (TLE) at the old or new Permanent Duty Station (PDS). • Fuel for a privately owned vehicle (POV), when POV is the authorized mode of transportation. • Rental car and fuel when a rental is authorized on orders. • Lodging and meals en route. • Dislocation allowance (DLA) related expenses normally used to establish a household such as deposits and cleaning. • Automatic teller machine (ATM) withdrawals. <p><i>* ATM fees are not a separately reimbursable expense</i></p>	<ul style="list-style-type: none"> • Medical expenses • Personal expenses that are not part of your authorized moving expenses. • Commercial airfare for PCS travel. [<i>This will be booked through E-Gov Travel Systems (ETS)</i>] • Personally Procured Moves (PPM), formally known as a Do-It-Yourself (DITY) move. • Personal travel arrangements incurred during leave in conjunction with orders. • Other expenses not authorized by the Joint Travel Regulation (JTR). <p><i>* The GTCC cannot be combined with an electronic funds transfer/direct deposit (EFT/DD) travel advance (e.g. advanced DLA and per diem)</i></p>

- Advance pay is intended to enable a member to have sufficient money in hand to execute a PCS. With sufficient justification, you may request up to three months of Basic Pay. In some cases, allowances may also be paid.

Counselor: *Since this is an advance, it MUST BE REPAID over the next 12 months unless your commanding officer authorizes a longer repayment term (up to 24 months).*

- Consider weight limitations, since you must cover the cost of shipping items that exceed the weight limits. Visit your unit admin for more information.

Counselor: *The member may want to consider a yard sale or online marketplace to sell non-essential household items. This provides two benefits — making extra money AND lowering the shipping weight. Another option is to donate the items to charity.*

- ☐ Prepare for the potential costs associated with transporting and/or storing your vehicles. The government only pays for the shipment of ONE vehicle to overseas duty assignments and usually only pays what it would cost to drive one personally owned vehicle from station to station in the U.S. There may be exceptions, so check with your command and contact your local Personnel and Administration Office (P&A)/Personal Property Shipping Office (PPSO) regarding your specific situation.

Counselor: *If a member plans to put their car into storage, suggest they talk to their insurance provider about obtaining non-operable car insurance versus dropping coverage completely. This will protect their finances if something happens to the stored vehicle and will save them money on their insurance premium when they return to normal coverage.*

If member plans to ship a vehicle, suggest they visit the Military OneSource Personal Property Resources page at <https://www.militaryonesource.mil/moving-pcs/plan-to-move/personal-property-resources>.

Additional notes: _____

★ PCS Considerations (Before Your PCS)

- ☐ Speak with your unit Admin/Service Personnel Offices (SPOs) for the most up-to-date information on travel pay and allowances specific to your situation.
- ☐ Visit <https://www.usps.com> to update your address and consider using Hold Mail and forwarding services. It's recommended that you do this 30 days in advance. Prepare for possible housing-related expenses such as cleaning, maintenance, long-term storage, insurance, and house hunting at your next duty station.
- ☐ Obtain passports and visas, if appropriate. There will be costs associated with passports and visas when transferring overseas, which may be reimbursed with command approval. More information on passport fees and processing times (normally four to six weeks after application) is available on the State Department website <https://travel.state.gov/content/travel/en/passports.html>.

Counselor: *Note that passport rates vary based on whether the passport is new or being renewed. Passport applications for children under 16 require the presence of both parents, even if they are estranged.*

- ☐ Prepare for potential costs associated with taking pets to your next duty station. These costs may include transportation and importation requirements for overseas travel (quarantine, airline crates, etc.).

Counselor: *Inform members that per the Joint Travel Regulations (JTR), a member on a PCS order may be authorized reimbursement for the costs related to the relocation of one household pet that arises from a permanent change of station. For moves within CONUS, the member may be reimbursed up to \$550 and for OCONUS, up to \$2,000. Members should prepare for any expenses incurred above the reimbursed amounts and for additional pets.*

For more information, see the Joint Travel Regulations (JTR) or <https://www.travel.dod.mil/About/News/Article/Article/3434474/dod-approves-pet-expenses-reimbursement-due-to-pcs>.

- ☐ For additional guidance when moving with pets, visit <https://www.militaryonesource.mil/moving-pcs/plan-to-move/moving-with-pets>.

Additional notes: _____

★ PCS Considerations (During Your PCS)

- ☐ Estimate travel costs for your PCS move using the *Estimated Travel Costs for a PCS Handout* provided. Remember to keep all receipts so you can complete your travel claim immediately upon arrival. Also, any unreimbursed moving expenses may be eligible for a tax deduction. Consult with a tax professional or CG SUPRT Money Coach if you need help with your specific situation.

Counselor: Remind members to budget an average of \$25 per 100 miles of driving for gas and maintenance. The government authorizes 350 miles of travel per day, so they will want to plan their number of overnight stays based on this distance. Multiply planned number of overnight stays by \$120 per night or more depending on the unique characteristics of their family. Estimate \$50 per person per day for meals. Remind members to keep all receipts.

Additional notes: _____

★ PCS Considerations (After You Arrive)

- ☐ Submit PCS travel claims through your Unit Admin.
- ☐ Prepare for possible expenses once you arrive such as security deposits, lodging, child care, and vehicle registration costs.
- ☐ Child care can be a big expense, so seek out potential resources to help reduce costs:
 - Contact your local Health, Safety and Work-Life (HSWL) Regional Practice staff for child care assistance.
 - Contact CG SUPRT to speak with a child care specialist who can help you find referrals to child care programs.
 - Contact the local Family Resource Specialist (FRS) if you have a family member enrolled in the Special Needs program to obtain local resources.
 - Contact your School Liaison Officer (SLO) to assist with local school resources.

For more information, visit Military OneSource:

<https://www.militaryonesource.mil/education-employment/for-children-youth/school-liaisons>

- ☐ Update TRICARE with your new address and possibly change your TRICARE enrollment now that you have had a life changing event that qualifies for enrollment changes.