

# PRE-DEPLOYMENT

COAST GUARD FINANCIAL READINESS

**Preparation:** Distribute and discuss the *Pre-Deployment* Checklist and accompanying handouts to support this video-based training course. Checklists and handouts can be found online at [Coast Guard Personal Financial Management Program - FINRED Learning Resource Library - APAN Community](#).

## ★ PART ONE: Getting Started

### Play Videos 1, 2, and 3



1. Course Overview

**Introduction:** Welcome to this training course. Today we will have a conversation about preparing your finances for a deployment. The goal of our discussion is to help alleviate financial stress while you are deployed by creating a plan for your finances before you leave.



2. Financial Planning for Deployment

Deployments can cause disruption to your finances, but they can also present some opportunities, if you are prepared to take advantage of them. Consider the following questions. How will your bills be paid? How will you correspond with financial institutions? How will you ensure you have access to funds? How much money will you be able to save? Will you be able to pay off all of your debt? These are all valid questions to ask. As you are watching the videos, look for key takeaways that you can implement to prepare your finances for deployment.



3. Managing Debt and Understanding Credit

### DISCUSSION QUESTION

1. What do you feel are important steps to take prior to your deployment to set up you and your family (if applicable) for financial success?

**Talking Points:** Here are a few considerations: Understand what your income and expenses will be during deployment. Create or update your spending plan with your spouse and discuss with your family (if applicable). Consider setting up separate accounts for spending and obligations to make sure all expenses are covered. You may want to automate bill payments during your deployment. This could be a good time to pay off debts if your income increases and expenses decrease. Set savings goals.

### KNOWLEDGE CHECK

**Question:** What are the three major credit reporting agencies?

**Answer:** Equifax, TransUnion, Experian

## ★ PART TWO: Banking and Consumer Protection

### Play Videos 4, 5, and 6

**Introduction:** Up next we will see some “good to know” items. This list should get you thinking about what you can do to better prepare. Take note of the information relevant to you as you begin to plan out the deployment phase of your finances.



4. 12 Things to Know Before You Go



5. Managing Payments While Deployed



6. Military Consumer Protections

### DISCUSSION QUESTIONS

#### 1. What are some things to keep in mind with online accounts?

**Talking Points:** Check to see if your bank is charging you fees for online services. If you are going overseas, make sure you understand your financial institution’s policies on using your debit/credit card internationally, as some charge transaction fees. It may be a great idea to automate bill payment. However, you still need to monitor your accounts to make sure bills are paid in full and on time. You are required to continue payment on your financial obligations while you are deployed.

#### 2. You have most likely heard the acronyms MLA and SCRA mentioned before. What protections do these laws offer?

**Talking Points:** The Military Lending Act (MLA) protects Coast Guard members from high interest rates and predatory lending. The Servicemembers Civil Relief Act (SCRA) allows you to cancel certain contracts and have the interest rate on debts incurred prior to joining the Coast Guard lowered to 6%.

### KNOWLEDGE CHECK

**True/False:** Relief provided by the SCRA happens automatically.

**Answer:** False

## ★ PART THREE: Additional Deployment Related Topics

### Play Video 7

**Introduction:** Let’s review a few more financial topics related to deployment.



7. Deployment and Student Loans

### DISCUSSION QUESTION

#### 1. If you have student loans, how can you be prepared to manage your loans during your deployment and what benefits are available to you?

**Talking Points:** Make sure you know who your loan servicer is and keep their contact information on hand. Know your current balance and payment terms. You may be eligible for an interest rate or loan balance reduction as a result of your deployment. Notify your loan servicer prior to leaving and provide requested documents to see if you can take advantage of this benefit.

## KNOWLEDGE CHECK

**Question:** Where can you find information regarding your federal student loans?

**Answer:** You can get more information directly from your loan servicer or the [National Student Loan Data System \(NSLDS®\) | Financial Aid Delivery \(https://www.ed.gov\)](https://www.ed.gov)

### Play Video 8



8. Combat Zone Tax Exclusion

## KNOWLEDGE CHECK

**Question:** Under the Combat Zone Tax Exclusion (CZTE), your pay may be excluded from what type of taxes?

**Answer:** Federal

### Play Video 9



9. Active Duty Alerts

## DISCUSSION QUESTION

1. Have you, or someone you know, ever been a victim of identity theft? What are ways you can protect yourself from becoming a victim of identity theft?

**Talking Points:** Ask one or two students to share their experience/story. Possible protection steps: Set an Active Duty alert or security freeze on your credit report. Monitor your credit regularly to check for accuracy.

## KNOWLEDGE CHECK

**True/False:** You need to contact all three credit reporting agencies to set up an Active Duty alert.

**Answer:** False. You only need to contact one. It's still a good practice to follow up with the other two reporting agencies to make sure the Active Duty alert is in place.

**True/False:** You need to contact all three credit reporting agencies to place a security freeze.

**Answer:** True

## ★ PART FOUR: Opportunities for Additional Savings

### Play Video 10



10. Savings and Financial Emergencies

#### DISCUSSION QUESTION

1. Is having more disposable income something you are looking forward to in deployment?

**Talking Points:** Of course! Discuss the excitement of potentially earning additional income. Shift the discussion to plans for what can be done with additional income, like establishing an emergency fund. Experts recommend that you save three to six months of living expenses in an emergency fund. Evaluate your needs and come up with the number that is right for you, since everyone's situation is different. Remember to keep your emergency fund in an easily accessible account like a savings or money market account. And finally, only use your emergency fund for actual emergencies and if you have to tap into it, replenish it as soon as possible.

### Play Video 11



11. Savings Deposit Program

#### KNOWLEDGE CHECK

**Question:** What is the annual return you are eligible to earn through the Savings Deposit Program (SDP), if you participate in it?

**Answer:** 10%

**Question:** Will interest you earn through the SDP be tax-exempt income?

**Answer:** No, interest earned on your tax-exempt contributions will be taxed when returning to a taxable location after being in a Combat Zone Tax Exclusion (CZTE) area.

### Play Videos 12 and 13



12. TSP Contributions During Deployment

#### DISCUSSION QUESTION

1. How can you contribute more to your TSP while deployed?

**Talking Points:** You may have additional income to contribute due to additional deployment pays and allowances and the fact that your pay may be tax exempt if you are deployed to a CZTE area. The amount you can contribute while in a CZTE area is higher.



13. Managing Your TSP

#### KNOWLEDGE CHECK

**True/False:** You can only contribute to TSP from base pay.

**Answer:** False. You can contribute from other types of pay as well. Examples include: special, incentive, and bonus pay. However, if you are covered under the BRS, the match is on base pay contributions up to 5%.

## ★ PART FIVE: Life Insurance and Other Benefits

### Play Video 14

**Introduction:** Before you deploy, check to make sure that your life insurance is sufficient and that your beneficiaries are up to date. Your local legal assistance office can assist with questions regarding beneficiaries. Speaking of legal, let's take a look at some legal documents that may need your attention before you deploy.



14. Life Insurance, SGLI and Other Death Benefits

#### DISCUSSION QUESTION

##### 1. How can you determine how much life insurance you should have?

**Talking Points:** Remember the acronym LIFE, which stands for:

- Liabilities — debts to be paid off
- Income — to be provided
- Final expenses
- Education and other goals to be funded

### Play Video 15



15. Insurance (Health, Auto and Property)

#### DISCUSSION QUESTION

##### 1. What types of insurance should you review and possibly update before you deploy?

**Talking Points:**

- Medical — check TRICARE eligibility
- Auto — check for storage rates if vehicle is not being driven; consider not canceling due to high cost to reinstate
- Property — review coverage

### Play Video 16



16. Legal Documents and Estate Planning for Deployment

#### KNOWLEDGE CHECK

**Question:** Why do you need a will and what does it do?

**Answer:** Coordinates the distribution of your assets at your death and can appoint a guardian for children

**Question:** A will is a legal document that provides instructions regarding how to distribute certain types of assets at your death and appoint a guardian for minor children (if applicable). Assets that have named beneficiaries, like insurance policies or retirement accounts, are passed on by beneficiary designation and not a will.

**Answer:**

- General POA — gives power and authority to act on your behalf for a wide range of topics
- Specific POA — grants power for specific types of transactions
- Medical POA — provides child's caretaker with the authority to handle medical needs of the child(ren)

## Play Video 17



17. Resources  
and Final  
Wrap Up

**Conclusion:** This concludes training today. Review your notes and create a plan to address your financial concerns and opportunities before you deploy. As you approach the day you leave, things may get hectic and stressful. Now is the time to think through your financial plan and adjust as necessary. As always, if you need financial assistance in any of the topics today, speak with a CFS or a PFM at your local Health, Safety and Work-Life (HSWL) Regional Practice.