



# Marriage

## Instructor Guide



**SECURING THE  
FINANCIAL  
FRONTLINE**

# I. COURSE ORGANIZATION AND OUTLINE

The *Marriage* course is comprised of seven parts:

1. **Introduction and Agenda**
  - Welcome
  - Facilitator introduction
  - Agenda
  
2. **Communication**
  - Topics to discuss with new spouse
  - Communication Handouts
  
3. **Administrative Tasks**
  - Important documents to obtain and update
  - DEERS
  - LES considerations
  
4. **Financial Planning**
  - Spending plan
  - Financial goals
  - Emergency fund
  - Banking
  - Paying bills
  - Credit and debt
  - Retirement
  - Survivor benefits
  - Education benefits
  
5. **Insurance**
  - Health, Dental, and Vision Insurance
  - Property Insurance
  - Life Insurance
  - Life Insurance Needs Calculator
  
6. **Legal Documents and Taxes**
  
7. **Summary and Resources**

**TOTAL:** 45 minutes

## II. LEARNING OBJECTIVES

### Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs)

- 1. TLO:** Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.  
**ELOs:** Update personal spending plan. Understand changes in basic pay and allowances as a result of getting married. Be able to develop a spending plan that accounts for necessities and childcare.
- 2. TLO:** Understand fundamentals of income tax, common tax benefits, and potential changes to them.  
**ELO:** Understand how to update federal and state withholding as needed.
- 3. TLO:** Recognize and understand how to protect against misleading consumer practices, and report consumer complaints.  
**ELOs:** Understand the threat of predatory lenders and identify better alternatives like military aid societies. Know how to find information on state-specific consumer protection laws. Be able to access and read a credit report to identify potentially fraudulent activities. Understand credit fraud and the process for placing alerts and freezes on accounts. Know which federal agencies support consumer protections and how to find information.
- 4. TLO:** Understand education financing, to include available benefits, obligations, and repayment options.  
**ELOs:** Be able to assess the cost of educational programs. Know a variety of education benefits available to Service members and families. Understand general information on various financial aid options such as grants, scholarships, and loans. Understand the value of saving early. Identify, compare, and contrast educational saving programs.
- 5. TLO:** Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.
- 6. TLO:** Discuss the reasons, needs, types, and options for purchasing insurance.  
**ELOs:** Review beneficiaries and levels for life insurance including Servicemembers' Group Life Insurance (SGLI). Know the different types and levels of eligibility of life insurance offered to military family members. Understand the need to update insurance levels and premiums to cover liabilities. Understand benefits of flexible spending accounts.
- 7. TLO:** Understand purpose and implications of estate planning (beneficiaries, wills, trusts, power of attorney, etc.).  
**ELOs:** Understand estate planning considerations. Know why it is important to update estate planning documents and beneficiaries.
- 8. TLO:** Discuss TRICARE options and costs.  
**ELOs:** Know how to add or remove dependents to/from TRICARE. Know when and how to update DEERS. Understand options for health care beyond TRICARE. Understand the necessity for additional health care for those who may not be covered under TRICARE. Know how to review benefits and costs of various health insurance options. Know which health care benefits will be used for varying scenarios.
- 9. TLO:** Discuss survivor and dependent benefits, including SBP and SGLI.
- 10. TLO:** Recognize the importance of and be able to develop savings and an emergency fund.  
**ELOs:** Understand the importance of starting and maintaining emergency savings. Know how to set emergency savings goals. Know various methods and modes for keeping emergency funds. Know how to assess how much should be kept in an emergency fund. Be able to set guidelines for starting and replenishing an emergency fund.

### III. CHAPTER PREPARATION

Sections labeled **INSTRUCTOR NOTE:** include additional information for instructor background, as well as activities that provide practical application of key learning points. Instructor notes contain an icon and appear in a shaded text box for easier recognition.

CONTENT ICONS — The following icons are used throughout this guide.

<b>INSTRUCTOR NOTE:</b>	<b>Instructor Note</b> (indicates additional information related to the content for the instructor)
	<b>Checklist and Handout</b> (indicates a checklist or handout is associated with the content)
	<b>Learning Activity</b> (indicates a learning activity)

**INSTRUCTOR NOTE:** Being prepared for training promotes organization, projects a positive image, and reduces stress.

Be prepared to discuss each checklist and handout in class. You should familiarize yourself with this content so you can effectively discuss each document during your presentation.

While this guide is written as a script, avoid reading it word-for-word. Familiarize yourself ahead of time so you feel comfortable covering the material in your own words.

Throughout the presentation, the checklist or handouts will be identified with an icon on the PowerPoint and an Instructor Note in this Instructor Guide.

### **Materials and Equipment:**

- Projector/screen
- *Marriage* course PowerPoint slides
- Chart paper and easel or whiteboard and markers
- Paper, pens, pencils

### **Forms and Handouts:**

- *Marriage Soldier Checklist*
- *My Rating as a Money Manager Handout*
- *Financial Values Handout*
- *Spending Plan Worksheet Handout*
- *Major Purchases Handout*
- *5 Rules of Buying a House Handout*
- *Military Retirement Handout*
- *Thrift Savings Plan Handout*
- *Education Benefits and Savings Handout*
- *TRICARE Overview Handout*
- *Estate Planning Handout*
- *Understanding Credit Handout*
- *Free Credit Monitoring Handout*
- *Sources of Help for Military Consumers Handout*
- *Military Consumer Protection Handout*
- *Survivor Benefits Overview Handout*
- *Paying off Student Loans Handout*
- *LES Handout*

# IV. CONTENT



SLIDE 1

## Introduction

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### Facilitator Introduction

Welcome to the *Marriage* financial readiness course.

Hello, my name is \_\_\_\_\_.

I am a \_\_\_\_\_.

(Describe your experience as a facilitator or with personal financial management.)

### Course Purpose and Rationale

Congratulations! Taking your relationship to the next level is a big decision. Marriage is a meaningful commitment to your partner but also a legal and financial one. Starting your new life together on the same financial page will help improve communication and minimize stress later.

The information I'll provide over the next 45 minutes will help you organize your finances to adjust to your new life as a married person.

This training satisfies the common military training requirement for Marriage. As a reminder, you have training requirements at various personal and professional milestones like welcoming a child, promotion, PCS, etc.

***Disclaimer (Read) :*** *The information provided in this course does not constitute a formal endorsement of any company, its products, or services by the military. Specifically, the appearance or use of external hyperlinks does not constitute endorsement by the military of the linked websites, or the information, products, or services contained therein. The military does not exercise any editorial control over the content you may find in these resources. The intent is to provide informative material to assist Soldiers and their families in identifying or exploring multiple options.*



SLIDE 2

## Agenda

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To help you optimize your finances for married life, we'll discuss Communication, Administrative Tasks, Financial Planning, Insurance, and Legal Documents and Taxes. This class, along with the checklists and handouts provided, will help you set goals, establish priorities, and develop a family financial action plan.



**ACTIVITY:** As an ice breaker, spend two to three minutes asking attendees to name something their significant other bought recently that they did not agree with. How did they deal with it?

## Communication



### SLIDE 3



**INSTRUCTOR NOTE:** Distribute *My Rating as a Money Manager* and *Financial Values* handouts

Communication is an important part of any relationship. That's especially true when it comes to effectively managing money as a married couple. Money can be a primary stressor in a marriage and an issue couples disagree and argue about. So, it's important to have open and honest communication up front. When one spouse prefers to save money while the other prefers to spend it, a divide may occur that needs attention. Each partner is coming into the relationship with their own history, family dynamics, career, and beliefs about money.

Set aside time to discuss finances with your fiancé or spouse. Talk about your:

- **Current financial situation:** Review your various bank and investment accounts, your debts, employer benefits, insurance, and your income.
- **Financial goals:** These goals might include paying down debt, buying a home, or saving for retirement or college tuition. Discuss what's important to you both, develop a plan to meet your goals, and prioritize them accordingly.
- **Spending:** In addition to reviewing your regular monthly expenses, talk about your spending habits when it comes to flexible expenses like entertainment, dining out, and clothing. Create a spending plan that both of you are comfortable with.
- **Saving and investing:** With your goals in mind, reach an agreement on how much money you want to put away each pay period or month to strengthen your financial situation. You should also discuss your attitudes about how much risk you would be comfortable taking, and whether you want to use a financial advisor or take a do-it-yourself approach.
- **Planning:** Discuss and develop a plan to pay bills and build your savings. Your plan should include which of you will be the primary money manager, particularly in the event of training or deployment. Doing so, can avoid overdrafts and reduce stress during periods of limited communication.

Your goal is to avoid tension tomorrow by getting on the same page today.

Two of the handouts we're providing today will help you accomplish that, one is called *My Rating as a Money Manager* and the other is the *Financial Values Worksheet*.

A great way to start your discussion is for each of you to complete the handouts separately. Then share your results with each other and come to an agreement on your financial philosophy as a couple as you move forward. To keep a tough conversation on track:

1. Identify a mutual purpose or a common outcome to work toward.
2. Use objective information and minimize exaggeration.
3. Ensure you are inviting your partner into the conversation by asking questions and listening to their point of view.
4. If the conversation becomes too emotionally charged, take a break, and set a time to return to the topic.



#### SLIDE 4



**ACTIVITY:** Have attendees take two to three minutes to fill out the *My Rating as a Money Manager* handout. This activity will set up their mindset for the rest of the class. Review the worksheet later in the class.

## Administrative Tasks



#### SLIDE 5



**INSTRUCTOR NOTE:** Distribute *Marriage Soldier* checklist.

Reorganizing your finances for married life starts with some administrative tasks. Let's review what you need to take care of.

### Documents

First, you'll need to get a variety of documents in order. These are all listed on the *Marriage* checklist.

Start by getting several official copies of your marriage certificate. You'll need to present them in various places to update your marital status. Official copies are often embossed or stamped in some way.

Keep in mind, a marriage certificate is not the same thing as a marriage license. In many places, marriage certificates are issued by the county clerk's office in the place where you held your ceremony.

If your spouse is foreign-born, you may be eligible for reimbursement for some of the expenses of applying for U.S. citizenship. To see if you qualify, contact your installation's Legal Services Office.

If you or your spouse are changing names, update your Social Security record and other forms of identification, such as passport and driver's license, as well as bank, credit card, and other financial accounts.

This is also a good time to make sure you have official copies of birth certificates and Social Security cards for your spouse and any dependent children. Your installation's Legal Services Office can help you with other changes, such as updating the titles to your vehicles and real estate deeds.

Keep documents in a secure and easily accessible place like a safe, fireproof box, or safety deposit box.

### **Power of Attorney (POA)**

Before you are deployed or experience any other type of absence, such as training exercises, you and your partner should consider designating a POA.

A POA is a legal document that grants another person, called an attorney-in-fact, the power to act on your behalf. This can be helpful to transact business like paying taxes, receiving emergency financial assistance, accepting installation housing, and enrolling new family members in TRICARE even though you are unavailable.

It is best to consult with a judge advocate or lawyer to make sure you understand what rights you are giving to someone, whether limitations are needed, and when the POA could unintentionally expire. A POA can be drafted with an expiration date or revoked at any time. Keep in mind that a specific power of attorney, rather than a general POA, is likely required for many financial transactions. Your installation's Legal Services Office can prepare the document for you free of charge.

### **DEERS**

Another important step is updating the Defense Enrollment Eligibility Reporting System, or DEERS, to change your marital status and add your spouse and any other new family members that are joining you as a result of the marriage. When you go to the DEERS/RAPIDS office, bring the marriage certificate, your spouse's birth certificate, Social Security card, and photo identification. If you're adding children, bring their birth certificates or adoption papers and Social Security cards. After you've updated DEERS, obtain military dependent ID cards for your spouse and any dependent children. Children under 10 years of age generally don't need a card and won't be issued one.

\*As a reminder, if you are welcoming a child as a dependent, you are required to take financial readiness training.

## Changes to Pay

After you've updated DEERS, take a good look at your Leave and Earnings Statement (LES) to make sure the changes are reflected in your pay and allowances. Keep an eye out for overpayments. Money paid to you in error will be recollected. Don't spend it.

It's important to understand how getting married may impact your pay. Most notably is the change you'll see to Basic Allowance for Housing (BAH). Once married, you may receive BAH with dependents. If you and your spouse are both serving on active duty, with no additional dependents, you may only receive the BAH at the single rate. Your housing allowance does not automatically change; you must file the appropriate paperwork with your finance office to receive the *with dependents* BAH rate. The Basic Allowance for Subsistence (BAS) pays for the cost of the Soldier's meals. Although BAS is meant to offset the cost of a member's meals, it doesn't cover the costs of meals for family members.

**INSTRUCTOR NOTE:** It might take time for their LES to update depending on when the system processes the marriage; however, members will be paid retroactively.

## Children

If either spouse has children prior to the marriage, this creates a blended family. In most cases, you'll want to enroll children in DEERS. Also, for children over the age of ten, visit RAPIDS at <https://idco.dmdc.osd.mil/idco/> to schedule an appointment for a Uniformed Services Identification (ID) card, which requires attendance at a mandatory training in accordance with Common Military Training requirements.

## Financial Planning



### SLIDE 6



**INSTRUCTOR NOTE:** Distribute *Spending Plan worksheet*, *Major Purchases*, *5 Rules of Buying a House* handouts.

With the basic administrative chores out of the way, let's turn to financial planning. The first thing to consider is your spending plan. Let's take a look at the *Spending Plan* worksheet.

## Spending Plan

A spending plan is a great way to map out your new household's current income and expenses, including everything from bills and debt payments to retirement plan contributions.

In addition to giving you a clear picture of where you stand, a spending plan



### SLIDE 7

also lets you set goals for how you use your money each month. For example, you can plan to decrease spending on some items, and use the extra money to pursue goals such as paying down debt or saving for the future.

### **Step 1: Understand Your Current Situation**

Knowing where your money is going now can help you determine whether these expenses need to remain as is or adjustments are needed. Track all your combined cash inflows (including your Basic Allowance for Housing increase) and outflows for the next 30 days or look back at the previous 30 days. You can record it any way you want — by pen and paper, a spreadsheet on the computer, or on your phone using an app. The important thing here is to do it for the full 30 days.

### **Step 2: Know Where Your Money Should Go**

Once you know where your money is going, you then need to understand where it should go. There are general rules/guidelines that experts suggest:

- Save and/or invest 10% – 15% of pretax pay.
- Keep transportation expenses, including car payments, insurance, gas, and maintenance, to 15% – 20% of pretax pay.
- Housing expenses, including mortgage or rent payment, taxes, utilities, maintenance, etc. should be limited to your BAH or to 25% of pretax pay.

### **Step 3: Create a Plan**

Now that you know how much you two are spending, where it's going, and where it should be going, it's time to create a plan together. It's a good idea to prioritize your financial goals as we discussed earlier. Next, you need to get into the habit of paying yourself first. If you are not already allocating a portion of your income toward savings or investments, this may be a good time to start. Automate savings and keep funds in a separate account to help you stick with your plan and avoid temptations to spend.

### **Step 4: Make Adjustments**

As your life circumstances change, your household spending plan needs to adjust as well. Major life events like welcoming a child, a Permanent Change of Station, or a promotion could affect your spending plan, so review it regularly.



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### Financial Goals

Discuss your financial goals with your partner to make sure you are both informed and on the same page. Setting financial goals together will help increase trust, buy-in, and accountability. It's important to set priorities, since you only have so much money to work with. After you've prioritized your goals, figure out how much you need to save each month to achieve them.

There are **short-term goals**, like saving for a vacation, and **long-term goals**, like saving for a down payment on a house. Knowing if the goal is short or long term will help you decide where to save your money.

Once you set your goals, stage your surroundings to remind yourself to stay on track. Try hanging up an image of a meter with your savings goal at the top; color it in each time you add more money until you hit the goal. Make the screen saver on your phone a reminder of what you're working toward. You can also hang an image on your mirror or fridge that reminds you every day of your goal, like being debt-free. Remember that you can always speak with a credentialed financial counselor for free—even if it just to make sure you are on track!



### Housing and Transportation

As a critical part of your spending plan, you will need to analyze your current housing and transportation needs. You and your new spouse need to decide where you would like to live.

Do you want to live in installation housing or in the community? Do you want to rent or buy? Either way you need to connect with your installation Housing Services Office to discuss your family's needs and update your marital status. They provide information about both military and community housing options. You can also access <https://www.housing.army.mil/> for options.

### Emergency Fund

Everyone should have an emergency fund. This is money that's kept in a low-risk account, such as a savings account. It should be an account that you can access easily and without any penalties in case you have an emergency. The idea of an emergency fund is having some cash on hand, so you don't have to take on large credit card debt when surprise expenses pop up.

How much should you have in your emergency fund? Experts generally say to strive for a minimum of \$1,000, but ideally it should be equal to three to six months of your regular expenses.



**ACTIVITY:** Ask attendees to think of some examples of unexpected expenses that an emergency fund could help cover. Answers may include vehicle repairs, home repairs, insurance deductibles, appliance replacements, travel on short notice, spouse loses job.

## **Banking**

You should also review your banking and credit card arrangements. Talk with your spouse about whether you want to consolidate bank or credit card accounts into one that you share.

Some spouses keep separate accounts. Others have separate accounts but put both spouse's names on each one so they can access and view as needed. Others prefer to have one joint account. There is no right or wrong way to manage your income. Find and use the system that works best for you both. The key is to have a conversation and be on the same page. You can discuss the details of different strategies for asset titling with a free legal officer at your installation.

While you're at it, this is a good time to consider moving to a new bank or credit union, if your needs have changed. With some shopping around, you may find an institution with lower fees and better interest rates on savings accounts and credit cards.

## **Power of Attorney (POA)**

It is a good idea to check with your bank and other financial institutions to confirm they will honor your POA. Some institutions may require a court order before they will accept it. Many financial institutions may require use of their own POA, which can make things easier and avoid delays.

## **Payable on Death (POD) Designation**

If you have an account in your name only, your intended beneficiary may have trouble accessing the account upon your death. Ask your bank about Payable on Death (POD) designation, which will help beneficiaries access the money. Your installation's Legal Services Office can provide additional information.

## **Paying Bills**

You should determine who will be the primary money manager and figure out your system for paying bills. Who will pay the bills? Will you divide them or

combine them? Late payments can put a big dent in your credit score, so it pays to stay on top of things. Consider paying bills through an automatic withdrawal from a checking or savings account but make sure to update when your account changes. Your spouse should learn how to read your LES to help keep an eye on any changes. Remember to have regular conversations to ensure both of you are tracking your money situation.

**INSTRUCTOR NOTE:** Handout *LES* handout and Review the *My Rating as a Money Manager* handout that attendees filled out earlier in the class.

## Credit and Debt



### SLIDE 10



**INSTRUCTOR NOTE:** Distribute *Understanding Credit, Sources of Help for Military Consumers, Military Consumer Protection, and Free Credit Monitoring* handouts.

Making smart decisions about debt and credit will have a huge impact on your financial success in life.

Before we get started with the fundamentals of credit and debt, it's important to be a smart consumer. Protect yourself and your family from identity theft and take advantage of laws intended to help Soldiers like the Servicemembers Civil Relief Act and Military Lending Act. The *Military Consumer Protection* and *Sources of Help for Military Consumer* handouts are both great resources for you to review.



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## Understanding Credit

At <https://www.annualcreditreport.com>, you can request a free copy of your credit report from each of the three major credit bureaus weekly. Your credit report shows all the current credit accounts that are open in your name, as well as your history. Both you and your new spouse should obtain your individual reports.

When you get your reports, look at them carefully and report any errors you find. You may find debts you didn't realize you still owed. Speak to a free, credentialed financial counselor at your installation if you do.



### SLIDE 12

Your credit report is different from your credit score. Your credit score is a number between 300 and 850. From a lender or creditor's perspective, credit scores indicate how risky it is to lend money or extend a line of credit to a borrower. A score above 670 is considered to be a favorable risk.

**INSTRUCTOR NOTE:** Avoid using terms like “good/bad risk” or “credit worthiness” when discussing credit scores. Emphasize that credit scores are a tool used by lenders and creditors rather than a reflection of a person’s value or worthiness.

If your score is too low, you may have a hard time being approved for loans or credit cards. The higher your score, the better chance of being approved and the lower your interest rates will be.

There are five key factors that drive your score: payment history, amount of debt owed, length of credit history, new credit, and types of credit. Approximately 65% of your score comes from your payment history and the amounts owed. Be sure to make all your payments on time and avoid carrying large balances. On credit cards, avoid carrying a balance that’s larger than 30% of your credit limit. It is better to pay your credit cards in full every month. Review the *Understanding Credit* handout to learn ways to improve your score.

### Free Credit Monitoring

Active duty Soldiers and members of the Reserve under a call or order under the provision of the law may be eligible for **free credit monitoring** from each of the reporting agencies. These services warn you about new activity on your credit report. If you have questions about credit, talk to a Personal Financial Manager (PFM) or Personal Financial Counselor (PFC).

**INSTRUCTOR NOTE:** Refer learners to Financial Planning section of *Marriage* Soldier checklist and the *Understanding Credit* and *Free Credit Monitoring* handouts.



## SLIDE 13

### Managing Debt

Managing debt boils down to two things: being careful with how much debt you take on and taking a deliberate approach to pay it off.

If debt reduction is a goal, here are some strategies to help you do it efficiently.

- If you have multiple debts, you should generally start by first paying down the debt that has the highest interest rate.
- Look for opportunities to transfer your debts to lenders that will charge you a lower interest rate (avalanche).
- As you eliminate a debt payment, use that extra money to start attacking the next debt.

There are a few rules to help you avoid taking on too much new debt.

- Try to keep your total housing cost at or close to your BAH or 25% of your pretax pay.
- Keep transportation expenses, including car payments, insurance, gas, and maintenance, to 15% to 20% of pretax pay.
- Your total debt – mortgages, car payments, credit cards, and other loans – should be less than 36% to 43% of your pretax pay.
- Paying credit cards in full every month will prevent the credit card revolving debt trap. To determine your debt-to-income ratio, use the calculator at <https://www.financialfrontline.org/debt-to-income-ratio/>.

## Retirement



### SLIDE 14



**INSTRUCTOR NOTE:** Distribute *Military Retirement and Thrift Savings Plan* handouts.

### Military Retirement Systems

First, let's take a look at the *Military Retirement* Handout and review the benefits of the two main military retirement systems: Legacy and Blended Retirement System (BRS). It is important for spouses to understand what benefits are afforded under each plan.

**INSTRUCTOR NOTE:** Briefly discuss the information on *the Military Retirement* handout noting the key differences such as pay formula multipliers, matching TSP, Continuation Pay, and Lump-Sum.

Retirement is one of the most important goals any of us here will save for. It's also one of the most expensive. Unlike other goals, we typically don't get a second chance to get this one right. It might be hard to visualize something that seems so far off, but starting early will set you on the right path towards financial freedom.

### Review Retirement Savings Goals

Start by deciding how much you'll save for retirement over the next year. The more you save, the better. As a starting point, many experts recommend that you save at least 10% to 15% of your gross income.

Next, think about where you will save. The Thrift Savings Plan is usually a good choice. Spouses may have a retirement plan of their own at work. As you evaluate where to direct your retirement money, consider:

- If the employer matches your contributions. Under the BRS, your contributions, up to 5% of basic pay to the TSP, are matched after two years of service.

- How quickly you become vested in those employer contributions. Vesting means when the money that the employer chips in becomes yours. For example, you must have two years of service to be vested in the government's automatic 1% contributions and associated earnings.

Then you'll have to decide how you will invest. An important driver with this decision is how much risk you're comfortable taking. How will you react if there's a bear market and your balance goes down by 20%? This is your risk tolerance. Remember that life events can impact how much you can put aside for your retirement-check in frequently and be an active participant in your retirement.

### **Thrift Savings Plan**

Be sure to review your beneficiary designations on your Thrift Savings Plan (TSP) and update them as needed – for example, listing your spouse. You should also review your investment choices and consider increasing your contribution rate on myPay to meet your goals.

### **Additional Retirement Savings Options**

In addition to the Thrift Savings Plan, your spouse may have a retirement plan of their own. That might be a 401(k) – which is like your TSP. Teachers and other public employees might have a retirement account called a 403(b). If their employer matches their contributions, it is recommended they contribute enough for the full match.

Individual Retirement Accounts, or IRAs, are an option as well. Like the TSP, IRAs come in both Traditional and Roth versions. Traditional IRAs have the potential for an up-front tax break, but withdrawals are usually taxed as income. On the other hand, contributions to a Roth IRA may not offer a tax benefit; however, qualified withdrawals from Roth IRAs are income tax-free. Check the IRS annual contribution rates to ensure you meeting all eligibility qualifications.

If you file a joint tax return, you may be able to contribute to a Spousal IRA even if you didn't have taxable compensation. This is an IRA that a working spouse can contribute to on behalf of a spouse who earns little to no income. Each spouse can make a contribution up to the current limit; however, the total of your combined contributions can't be more than the taxable compensation reported on your joint return.

**INSTRUCTOR NOTE:** Tell attendees that they may be able to take a tax credit called the Retirement Savings Contribution Credit, or Saver's Credit, for making eligible contributions to an IRA or employer-sponsored retirement plan. For more information, they can visit the IRS website.

You should also review and update the beneficiaries on any other retirement plans you have.



**ACTIVITY:** Have attendees take 3 to 5 minutes to review their retirement goals with their partner. Call on two couples to explain their goals.

## Other Benefits



### SLIDE 15



### SLIDE 16



**INSTRUCTOR NOTE:** Distribute *Survivor Benefits Overview*, *Education Benefits and Savings*, and *Paying off Student Loans* handouts.

### Survivor Benefits

Talking about death makes many of us uncomfortable, so we don't plan for it. But the reality is that even a small amount of planning ensures our final wishes are honored-and makes it easier on our family and friends. Let's turn our attention to the resources that may be available to your beneficiary if the event of your death while serving. Use the *Survivor Benefits Overview* handout to follow along.

In general, all VA benefits and life insurance proceeds are exempt from taxation. **Servicemembers' Group Life Insurance (SGLI)** proceeds that are payable at the death of the insured are excluded from gross income for tax purposes. If SGLI proceeds are paid to your beneficiary in 36 equal monthly payments, the interest portion included in these payments is also exempt from taxation. Don't forget to double-check whom you've named as your beneficiary.

The **Casualty Assistance Office** provides information, resources, and assistance to the next of kin in the event of a casualty. Its full-time responsibility and mission are to assist families during a difficult time and to ensure your family receives the benefits and entitlements due.

**Dependency and Indemnity Compensation (DIC)** is a tax-free benefit generally payable to a surviving spouse, child, or parent of a Soldier who died while on active duty, active or inactive duty training, or to survivors of veterans who died from their service-connected disabilities. The basic monthly DIC rate for a spouse is \$1,357.56, and the amount per child is \$336.32.

There are also **education benefits** available, such as the Survivors' and Dependents' Educational Assistance (DEA) program and the Fry Scholarship. To learn more, visit <https://www.va.gov/education/survivor-dependent-benefits/dependents-education-assistance/> and <https://www.va.gov/education/survivor-dependent-benefits/fry-scholarship/>.

The **Heroes Earning Assistance and Relief Tax (HEART) Act** provides significant tax and pension benefits to Soldiers who are disabled and survivors of those killed while on active duty. There are additional benefits and protections for eligible members of the Reserve Component, which may include accelerated vesting and the ability to make up contributions in their employer's retirement plan that were missed while serving. Moreover, there may be additional life insurance and survivor benefits through the Soldier's civilian employer, too. Visit <https://myarmybenefits.us.army.mil/Benefit-Library/Federal-Benefits/The-Heart-Act> for more information.

As for **funerals**, most active duty Soldiers and eligible members of the Reserve and National Guard are eligible to be laid to rest at Arlington National Cemetery or any other national cemetery that is open for internments. Survivors choosing to make private arrangements may be reimbursed for expenses, up to certain limits.

**The Survivor Benefit Plan (SBP)** is usually discussed at retirement. However, if you die on active duty, your spouse and/or child may receive this benefit. Speak with a financial counselor or visit My Army Benefits and search for "SBP" for more information. Benefits are calculated as if you retired with 100% disability. Before 2021, if your spouse qualified for DIC, then the SBP is reduced dollar for dollar by the amount of the DIC. The National Defense Authorization Act for fiscal year 2020 changed this. After January 1, 2023, survivors will receive both SBP and DIC. The offset will be reduced by one third for each year starting January 1, 2021 until the offset is eliminated January 1, 2023. The SBP has countless rules and nuances which are not all covered in this training. Speak with a financial counselor or visit <https://myarmybenefits.us.army.mil/> and search for "SBP" for more information.

**Survivor Outreach Services (SOS)** provides long-term support to surviving Families of Fallen Soldiers. Their services include Support Coordinators and Financial Counselors. Their goal is to reassure survivors that they remain valued members of the Army Family. For more information on SOS, visit <https://www.dcs9.army.mil/safr/sos/sos.html>.

**The Death Gratuity Program** provides for an immediate, tax-free payment of \$100,000 to eligible survivors of Soldiers who die while on active duty or while serving in the line of duty. The death gratuity is the same regardless of the cause of death. It's normally paid within 72 hours of notification. Beneficiaries are designated on DD Form 93 and can be split among multiple beneficiaries. You should know, the beneficiaries listed on your DD 93 will take precedence over your will.

**Social Security Survivors Benefits** may also be available to your family, starting with a lump sum of \$255. Everyone's situation is different, and the rules associated with receiving survivor income are complex. Contacting the Social Security Administration is encouraged. This is particularly true if a survivor is younger than full retirement age (FRS), is receiving benefits, and has earned income.

In general, surviving spouses (under FRA) may receive income while caring for the deceased Soldier's children under the age of 16 or after reaching age 60. A child, of a deceased Soldier may receive income benefits if unmarried and under the age of 18. Under certain circumstances, a stepchild, grandchild, step grandchild, or adopted child may receive benefits. Finally, payments may be limited by the Maximum Family Benefit. Visit <https://secure.ssa.gov/RIL/SiView.action> to set up a Social Security Account where you can view future benefits with your loved ones.



## SLIDE 17

### Education Benefits

Now, on to a lighter topic, let's discuss the education benefits that may be available to you and your spouse. One of your goals might be getting a college degree. The *Education Benefits and Savings* handout can help orient you to the many programs that can make college more affordable for Soldiers and veterans.

**INSTRUCTOR NOTE:** Briefly review the handout together. At a minimum discuss the items on the slide (GI Bill, Tuition Assistance, and repayment options).

You may be eligible to transfer **Post-9/11 GI Bill** education benefits to qualified dependents if you're on active duty or in the Selected Reserve. If the DoD approves the Transfer of Entitlement (TOE), your spouse or dependent children can apply for up to a total of 36 months of benefits, which may include funds for tuition, housing, books, and supplies.

To transfer benefits, you must have completed at least six years of service on the date your request is approved and agree to an additional service commitment. The person receiving benefits must be enrolled in DEERS. For more information on eligibility, visit <https://www.va.gov/education/transfer-post-9-11-gi-bill-benefits/>.

**INSTRUCTOR NOTE:** Be aware that a Transfer of Education Benefit can expire. If time permits, share the following conditions that apply to family members using transferred benefits:

### Spouses

- May use the benefit right away
- May use the benefit while you're on active duty or after you've separated from service
- Don't qualify for the monthly housing allowance while you're on active duty
- Since January 2013, if you separate from active duty, your spouse can use these benefits at any time. There's no time limit on the benefits.

### Children

- May start to use the benefit only after you've finished at least 10 years of service
- May use the benefit while you're on active duty or after you've separated from service
- May not use the benefit until they've gotten a high school diploma (or equivalency certificate), or have reached 18 years of age, **and** must use these benefits before they turn 26 years old.
- May qualify for the monthly housing allowance even when you're on active duty

\*If you separate from service before you meet the service requirement to transfer benefits, your dependents may still be eligible to use the benefits in certain situations.



## SLIDE 18

### Spouse Resources

You may also be interested to learn that the Army is improving career, education, and employment opportunities for military spouses through new programs and existing partnerships. Earning a second income can improve your family's quality of life.

If a Soldier is assigned to a new permanent duty station, the Army may reimburse qualified relicensing costs for spouses. These are costs to cover the examination and registration fees imposed by the state of the new duty station for the same profession as in the original duty station. For more information about **Reimbursement for State Licensure and Certification Costs for the Spouse of a Soldier Arising from a Permanent Change of Station**, visit Army Directive 2020-01.

Additionally, spouses of eligible Soldiers may also be interested in the **My Career Advancement Account (MyCAA) Scholarship Program**. It's a workforce development program that provides up to \$4,000 of financial

assistance for licenses, certifications, or associate degrees to pursue an occupation or career field.

Spouses of active duty Soldiers in pay grades E-1 to E-6, W-1 and W-2, and O-1 and O-3, who have successfully completed high school are eligible to request the assistance while their military sponsor is on active-duty, National Guard, or reserve under Title 10 orders. Spouses remain eligible for the financial assistance offered through the MyCAA Scholarship if their sponsor is promoted above the eligible ranks as long as the spouse has an approved Education and Training Plan in place. Visit <https://mycaa.militaryonesource.mil/mycaa> for more information.

The **Military Spouse Non-competitive Appointing Authority (Executive Order 13473)** also allows federal agencies to appoint certain eligible military spouses without competition. However, the authority does not entitle spouses to an appointment over any other applicant. Its intent is to minimize disruption when families experience a permanent change of station (PCS) and recognize and honor the service of Soldiers injured, disabled, or killed in connection with their service. To learn more, visit: <https://www.fedshirevets.gov/hiring-officials/strategic-recruitment-and-hiring/special-hiring-authorities-for-military-spouses-and-family-members/>.

**Military OneSource and the Department of Defense Spouse Education and Career Opportunities (MySECO)** program provides education and career guidance to spouses of Service members worldwide. The program offers comprehensive resources and tools for those who need help seeking new employment. Visit <https://myseco.militaryonesource.mil/portal/> for more information.

The **Army Community Service (ACS)** program provides employment, career, and education assistance to spouses. To learn more, visit <https://www.armymwr.com/programs-and-services/personal-assistance/>. Army Emergency Relief even provides scholarships for eligible spouses and children.

For spouses of members of the Guard or Reserve, contact your local **Family Assistance Center (FAC)** for information about programs and resources available in your area. You can find your local FAC at <https://www.militaryonesource.mil/national-guard/national-guard-family-program/national-guard-family-program-lookup/>. To learn about the spouse assistance programs provided by the **United Services Organization (USO)**, visit <https://www.uso.org/>.

You may also find the **Military Spouse Employment Partnership** at <https://msepjobs.militaryonesource.mil/msep/> and your local **Civilian Personnel Advisory Center (CPAC)** to be valuable resources.

**MilSpouse Money Mission®** is the DoD's financial readiness resource for military spouses which aligns with Soldier financial readiness training. Spouses are encouraged to visit the site and join the social media channels to learn more about financial matters as it relates to military life. Visit [www.milspousemoneymission.org](http://www.milspousemoneymission.org).

## Insurance

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### SLIDE 19



**ACTIVITY:** Take two to three minutes to ask attendees what insurance means to them. Write their answers on the white board. Conclude the discussion by emphasizing that insurance exists to protect us against a variety of different financial risks, and marriage is an important time to review their protection plan.



### SLIDE 20



## Health Insurance

**INSTRUCTOR NOTE:** Distribute *TRICARE Overview* handout.

In general, you'll want to make sure everyone in your new family is covered. If you and your spouse each have health insurance through your own employers, you may have an opportunity to put both of you on the same plan. Spouses may be eligible to enroll in TRICARE health, dental, or vision coverage and little to no cost. You can enroll or modify your benefits at <https://milconnect.dmdc.osd.mil/milconnect/>.

## Qualifying Life Event (QLE)

Marriage is a QLE, which means that you will not have to wait until the open enrollment season to enroll your dependents in TRICARE. You will have 90 days from the QLE to enroll. Visit [www.tricare.mil/LifeEvents](http://www.tricare.mil/LifeEvents) for more details.

## Enroll New Family Members Through DEERS

If you have TRICARE or TRICARE Reserve Select, enroll your new family members in the program. Don't put it off. You normally have 90 days from your marriage date to make the change. If you're overseas, you have 120 days.

If you have TRICARE Reserve Select, it's important to ensure continuous, regular payments. Irregular drill pay can cause you and your family members to be dropped from the program until the next open enrollment.

Spouses are automatically enrolled in TRICARE Prime upon registration in

DEERS. However, you must go in and elect a different plan. If this occurs after the allotted enrollment period for qualifying life events, like marriage, you must wait until open enrollment.

Only sponsors can add family members in DEERS. You must do it in person or have the original signed form for your spouse to use. You can set an appointment at <https://idco.dmdc.osd.mil/idco/>.

We have a *TRICARE Overview* handout, you can visit <https://tricare.mil/> for more information, and you can compare costs for different plans at <https://www.tricare.mil/comparecosts>.

### Alternatives

If your spouse has civilian health insurance, TRICARE pays after your other plan pays first, with some exceptions. Make sure both TRICARE and your private insurer know about all your coverage so they can properly handle the coordination of benefits.

For members of the Reserve, if you have coverage through civilian employment, review your coverage. As you compare plans that are available to you, compare features like deductibles, copays, prescription benefits, and the cost of in-network and out-of-network services. If you don't qualify for TRICARE and don't have employer coverage, the Affordable Care Act may offer a way to purchase insurance. You can learn more at <https://www.healthcare.gov/>.



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### Dental and Vision

Once you have enrolled your new spouse and other family members into DEERS and TRICARE, you have the option to enroll them separately into the TRICARE Dental Program. Dental coverage for dependents is an additional monthly cost. You can find current rates at [www.tricare.mil/dentalcosts](http://www.tricare.mil/dentalcosts).

Your spouse may also be eligible to enroll in optional TRICARE vision coverage depending on their TRICARE health plan and age. However, coverage for dependents is limited. To learn more, visit [www.tricare.mil/CoveredServices/Vision](http://www.tricare.mil/CoveredServices/Vision).

Another option for eligible spouses is to enroll in optional full vision coverage through the Federal Employees Dental and Vision Insurance Program (FEDVIP). Plans vary in coverage and cost. They may include routine eye exams, eyeglasses, and contact lenses. You must enroll separately from

TRICARE. Learn more about plans, eligibility, and costs at <https://www.benefeds.com/>.

To enroll a child, they must also be enrolled in a TRICARE health plan and be a dependent of a Soldier on active duty or member of the Guard or Reserve.

## Property Insurance

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This is a good time to review and update your current insurance policies especially if you plan to combine policies.

### Auto

Auto insurance may offer an opportunity for savings. Rates are often lower for married couples. Thanks to multi-car discounts, it's often less expensive to have both spouse's vehicles covered on the same policy. It's also easier to manage.

### Property

Now is also a good time to review your property insurance. This includes homeowners, renters, or other high-value personal property that you want to insure like jewelry, electronics, firearms, etc. If your spouse is bringing a pet into the household, make sure your insurer knows.

If you're renting, understand that your landlord's insurance protects the building but doesn't cover your stuff. That's why renters' insurance is very important. If you choose to live on the installation, and it is not mandated in the lease, consider getting renter's insurance as it is not covered by housing.

Property insurance doesn't only cover possessions, it also protects you from liability claims, like someone falling down your stairs and hurting themselves. Liability coverage also protects you from many liability claims that happen away from your property. You can get extra liability insurance by purchasing what's called an *umbrella* policy.

## Purpose of Life Insurance

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Life insurance offers protection for your family in the event of your death. As a married person, you may have a spouse who depends on your income or you may want to leave behind a legacy or money for your spouse. If so, you'll want to make sure you have life insurance. Should you pass away, the



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### SLIDE 23

amount of your coverage would go to a named beneficiary or beneficiaries. One goal is to reduce the financial hardship on loved ones in this scenario.

Now that we have an understanding of the purpose of life insurance, let's review your options for coverage.

## Life Insurance Overview

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### Servicemembers' Group Life Insurance (SGLI)

You're automatically insured for \$500,000 unless you decline coverage or choose a smaller amount. SGLI covers suicide if the death is determined by the appropriate command level to be in the "Line of Duty."

**Members of the Reserve** assigned to a unit scheduled to perform at least 12 periods of inactive duty creditable for retirement purposes can purchase full-time SGLI coverage that is in effect 365 days of the year.

### Family Servicemembers' Group Life Insurance (FSGLI)

Family Servicemembers' Group Life Insurance (FSGLI) offers low-cost coverage for spouses and dependent children of Soldiers who are covered by full-time SGLI. Even when a spouse doesn't work outside of the home, losing their contribution to the household could have a negative financial impact, particularly if you have children and you'd need to hire additional to help take care of them.

You can get up to \$100,000 in coverage for a spouse – not to exceed your own SGLI coverage. Premiums are deducted from the Soldier's pay and the cost depends on the spouse's age and coverage amount. Monthly premiums range from \$0.45 to \$45. To learn more, visit [www.va.gov/life-insurance/options-eligibility/fsgli/](http://www.va.gov/life-insurance/options-eligibility/fsgli/).

Each dependent child is automatically enrolled in FSGLI and covered for \$10,000 when they're enrolled in DEERS. This coverage is provided at no charge; just remember that the sponsor must be covered by SGLI.

You can update SGLI and FSGLI online using the **SGLI Online Enrollment System (SOES)**. Sign in to <https://milconnect.dmdc.osd.mil/milconnect/> and go to the Benefits tab.

**INSTRUCTOR NOTE:** Be aware that the costs provided above are based on 2023 premiums. Please advise attendees that costs may be different or look up current costs when preparing your course materials. Current FSGLI rates can be found at [www.va.gov/life-insurance/options-eligibility/fsgli/](http://www.va.gov/life-insurance/options-eligibility/fsgli/).

## Private Life Insurance Options

If you determine that SGLI is not enough to meet your family's' needs, you can look for **term** or **permanent** private life insurance. Think of term insurance as temporary coverage that lasts for a certain period of years. Permanent insurance is designed to last your entire life. Permanent insurance costs more but may also build cash value. Term gives you the most coverage for your dollar right now, but permanent insurance may provide the most value over a long time.

Watch out for policy exclusions like war clauses and other restrictions that may limit your coverage.



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## Update Beneficiaries

Now is the perfect time to review all life insurance policies, both SGLI and private policies, with your partner and update your new spouse as a beneficiary. While you are at it, update the DD Form 93 (Record of Emergency Data), which identifies your next of kin and beneficiaries for the pay out of the Death Gratuity. Don't forget to update your beneficiaries listed on the TSP-3 for the payout of your Thrift Savings Plan. You should also ensure that your beneficiaries are updated on other retirement accounts (401(k), IRA, etc.) and investments.

Keep in mind your will does not overrule your beneficiary designations. That means if an ex-spouse or your parents are listed as a life insurance beneficiary and you die, the ex-spouse or your parents will get the money no matter what your will says.

## Life Insurance Needs



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**INSTRUCTOR NOTE:** Remind learners that this life insurance needs analysis tool is on their *Marriage* checklist.

Here's a simple way to calculate your life insurance needs.

- Assess liabilities. These are debts you would like to pay off, such as a

- mortgage, car loans, or credit cards.
- Next, think about how much of your annual income you'd like to replace. Multiply that by the number of years. So, if you want to replace \$20,000 of income for 25 years, that's \$500,000.
- Then come up with how much to set aside for funeral and other final expenses.
- Finally, think about the money you'd like to provide for your survivors' education and other goals.

After you've added it all up, subtract SGLI and other coverage you already have plus assets and benefits available at your death.

If you want to buy additional coverage, avoid accidental death insurance. You should be looking for life insurance, which generally covers any cause of death (other than a suicide in the first two years of the policy).

## Legal Documents and Taxes



### SLIDE 27



**INSTRUCTOR NOTE:** Distribute *Estate Planning* handout

Estate planning means making preparations so your wishes for your survivors are carried out if you die or become incapacitated. When you get married, it's important to think about estate planning to make things easier on your spouse and family if something happens to you.



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Estate planning can include things like:

- Writing a will.
- Giving your spouse a power of attorney, which lets them handle transactions on your behalf.
- Creating a living will or medical directive that gives legal instructions about your preferences for medical care.
- Establish a trust. This is a legal agreement that allows a third party—a trustee—to hold and direct assets in a trust fund on behalf of a beneficiary.
- Titling your assets, which means selecting ownership arrangements for those accounts that make it easier for your survivors to inherit them.
- Determining a home of record and/or state of residence. State laws will dictate how your will is handled in probate as well as which state inheritance or estate taxes might apply to your assets.
- For couples with children, particularly in blended marriages, it is a good idea to use your will to address who you want to serve as a guardian for the children in the event of a death. Along with that, you may want to

appoint a conservator to handle benefits and entitlements for a child's benefit. If guardianship and conservatorship are not addressed, the court may step in and appoint someone, which could delay payments and cost unnecessary fees.

Your installation's Legal Services Office can help you create and update these documents and make informed decisions, free of charge.

## Taxes

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### Review Your New Tax Situation

Getting married can affect your income taxes. Review your new tax situation and change your federal and state withholding as needed. If you have questions, Military OneSource offers free access to professionals through its MilTax program (800-342-9647 or <https://www.militaryonesource.mil/financial-legal/tax-resource-center/miltax-military-tax-services/>).

At <https://www.irs.gov/individuals/tax-withholding-estimator>, there's a tax withholding calculator that can help you figure out how to set up your withholding. Then you can make the change at <https://mypay.dfas.mil/#/>.

### Residency Issues

Your **residency** also affects your taxes. Some states have lower income tax than others, and some states have no income tax at all. You'll generally be considered a resident of your home of record state, which is the state where you were living just before you joined the military.

The **Military Spouses Residency Relief Act (MSRRA)** allows military spouses to declare the same state of legal residency as their spouse. The **Veterans Benefits and Transition Act** allows that choice to be made regardless of when a couple was married.

The following conditions must be met to qualify under the MSRRA:

- The Soldier is stationed under military orders in a state that is not his/her resident state.
- The spouse is in that state solely to live with the Soldier.
- Both the Soldier and spouse have the same resident state.

When those conditions are met, the spouse's income will be taxed only in the state of legal residency.

A military spouse's income is subject to tax laws in the state of legal residence. Only an active duty Soldier's military income is covered under the Servicemembers Civil Relief Act. Any other income is taxable by the state in which it is earned.

Military Spouses and Soldier's may be required to file and pay state income taxes on other income in the state where it is earned. This includes income from rental property.

## Summary

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### Congratulations on Your Marriage!

It's important to talk about financial goals with your spouse so you can work together to meet them. Let's recap what you've learned.

- Communication
- Administrative tasks
- Financial planning
- Insurance
- Legal documents and taxes

Consider these two ideas:

- 1) Talk with your spouse about your thoughts, concerns, or "to do" items regarding your changing financial circumstances.
- 2) Think about the first step you are going to take to prepare and manage your finances together. Be specific. Start small. Prioritize items on your list based on what is most important to both of you as a couple and in your control.

## Resources

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Finally, let's review the resources available to assist you as you start your married life.

Please read through your checklists and handouts and refer to them as needed. They are great resources to help navigate the financial decisions you'll need to make.

If you feel confident in your financial plan but are having trouble staying on track, contact an R2 Performance Center to get one-on-one coaching. Your performance coach can give you techniques to keep you motivated and help you overcome obstacles, like unproductive thinking and bad habits. To find



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an R2 office, please visit

<https://www.armyresilience.army.mil/ard/R2/index.html>.

Remember that pre-marital and marriage counseling and free, confidential non-medical counseling are available at your local installation's service center and Military OneSource.

You may also be interested in checking your eligibility for Supplemental Nutrition Assistance Program (SNAP) and the Women Infant and Children (WIC) Program. You can learn more at <https://www.fns.usda.gov/military-and-veteran-families>.

You are not alone! You have many layers of support to help you learn more and make good financial decisions.

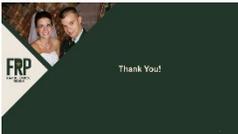
Remember your financial resources for securing the financial frontline!

- Click — Access <https://www.financialfrontline.org>
- Call — Military OneSource at 800-342-9647
- Walk — Come by the local Family Support Center

## Thank You!

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Thank you for participating, and I wish everyone a very happy and financially secure future.



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