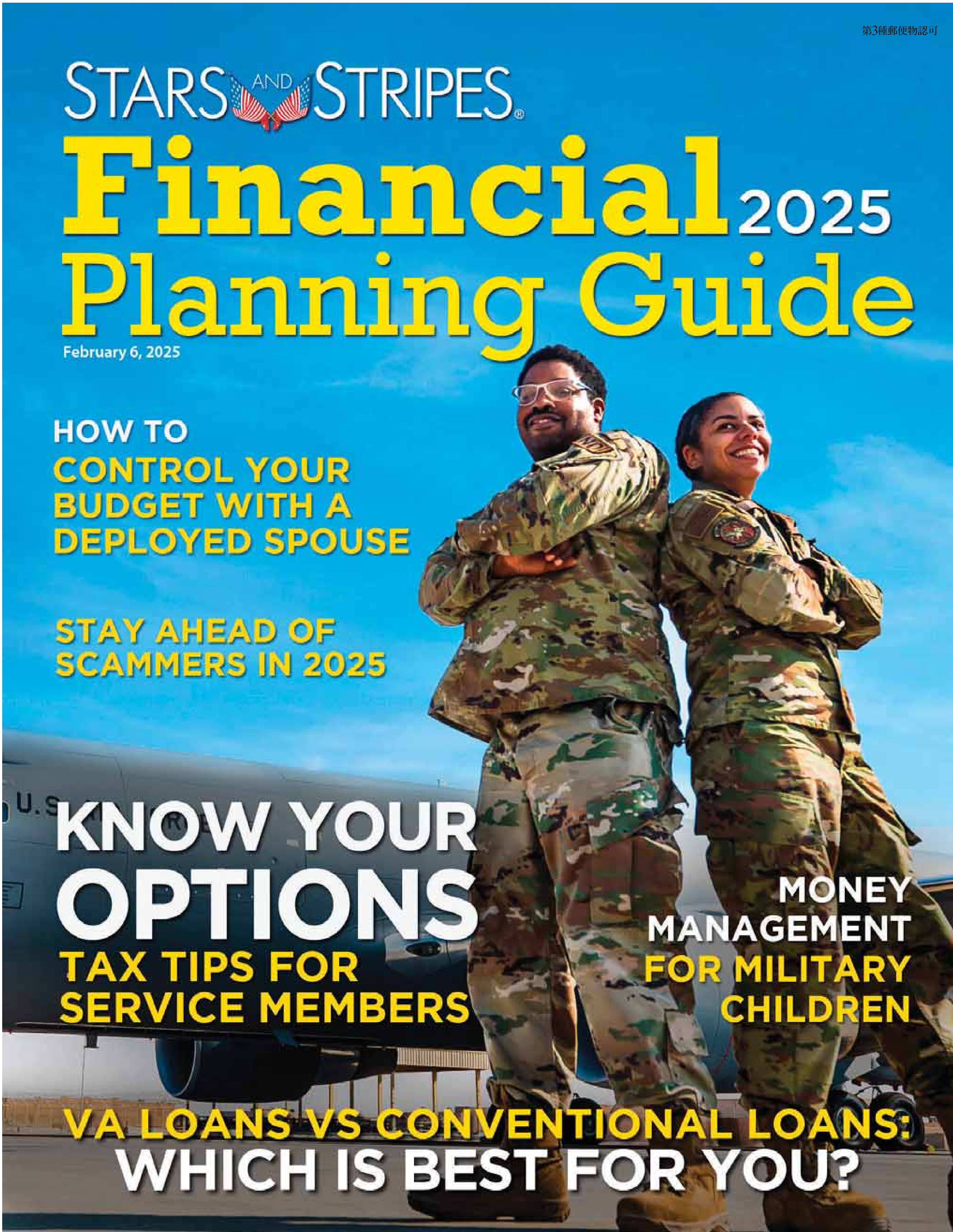
第3種郵便物認可

STARS AND STRIPES®

Financial 2025 Planning Guide

February 6, 2025



HOW TO CONTROL YOUR BUDGET WITH A DEPLOYED SPOUSE

STAY AHEAD OF SCAMMERS IN 2025

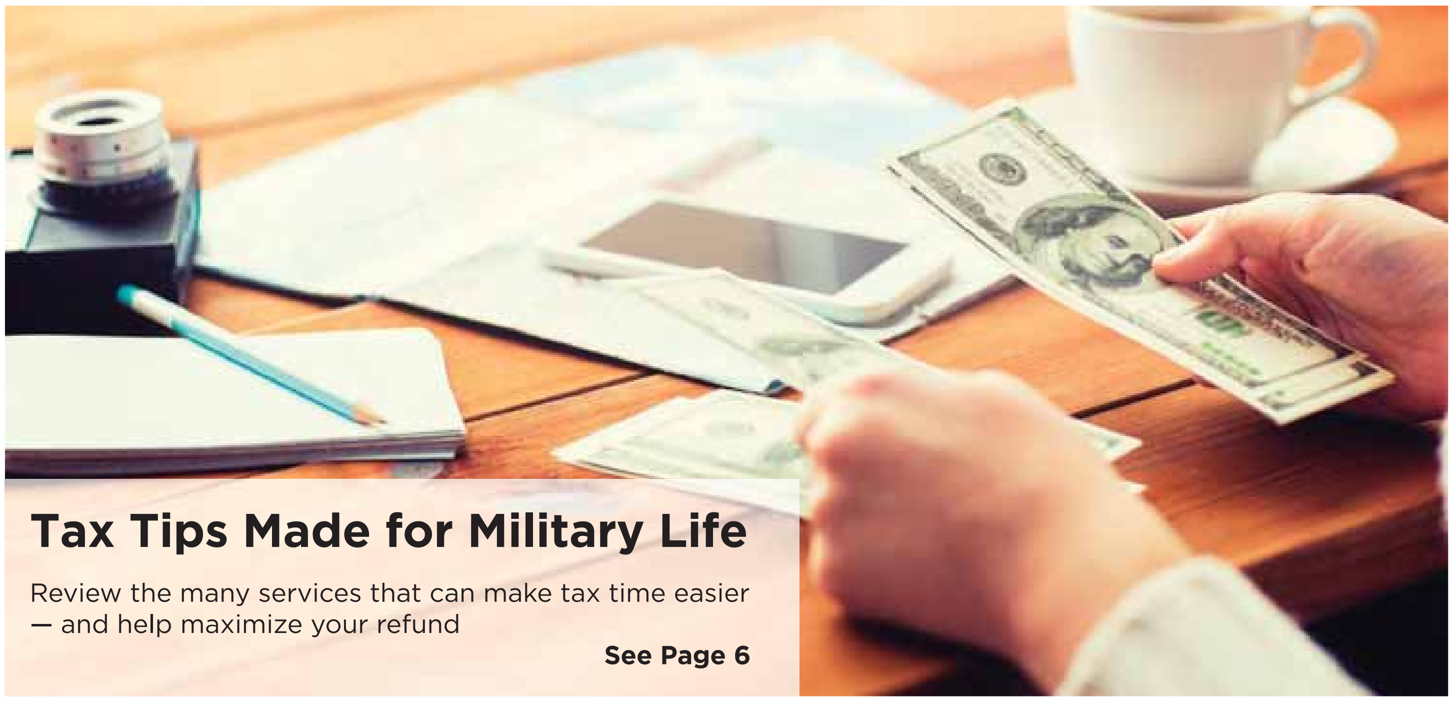
KNOW YOUR OPTIONS

TAX TIPS FOR SERVICE MEMBERS

MONEY MANAGEMENT FOR MILITARY CHILDREN

VA LOANS VS CONVENTIONAL LOANS: WHICH IS BEST FOR YOU?

AN ADVERTISING SUPPLEMENT FROM STARS AND STRIPES



Tax Tips Made for Military Life

Review the many services that can make tax time easier — and help maximize your refund

See Page 6

4

Using Military Retirement Calculators

Get a retirement estimate using the calculators for the High-3 and Final Pay offered by the Defense Department.

8

What is the Military Lending Act?

Understand the Federal law that provides special protections for active duty servicemembers.

10

Money Management Strategies for Military Children

Know how to provide age-appropriate lessons in earning, saving, spending and giving.

12

Control your budget with a deployed spouse

Take advantage of various entitlements to stay on financial track.

STARS AND STRIPES

PUBLISHER
MAX D. LEDERER JR.

CHIEF OPERATIONS OFFICER
LAURA LAW

REVENUE DIRECTOR
SCOTT FOLEY

MULTIMEDIA ADVERTISING, CONSULTANTS
SCOTT ADAMS, CLAUDIA STIER, COREY HENDERSON, GERARD KELLY, MARY VANDENBERG

ENGAGEMENT DIRECTOR
CHRIS VERIGAN

ENGAGEMENT MANAGER
VIVIAN DANDRIDGE-CHARLES

DIGITAL MARKETING COORDINATOR
SAEEDA DANIELS

PUBLISHING & MEDIA DESIGN, DIRECTOR
MARIE WOODS

VISUAL INFORMATION MANAGER
DOUGLAS GILLAM JR

PUBLISHING & MEDIA DESIGN, CONTENT PRODUCER/DESIGNER
ALYSSA McBETH

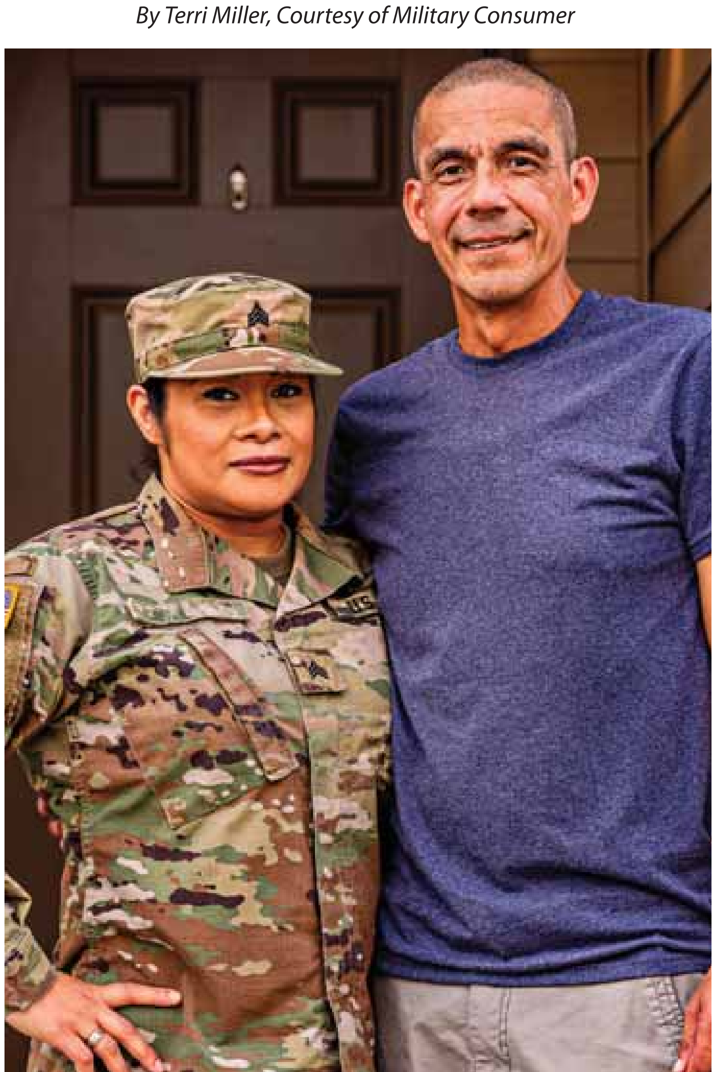
VISUAL INFORMATION LEAD SPECIALIST
ELLEN CHEUNG

VISUAL INFORMATION SPECIALIST
AMY WEBB

ADVERTISING OFFICE
633 3rd Street NW Suite 500
Washington, D.C. 20001

Helping veterans and military families battle financial fatigue

By Terri Miller, Courtesy of Military Consumer



Despite the best intentions and careful planning, you may find yourself facing a financial challenge when you least expect it. A furlough, layoff, illness, or emergency can pop up suddenly. Life can be full of surprises for veterans and military families, so, when faced with unexpected expenses or loss of income, what can you do to keep yourself afloat and your finances on track?

1. **Talk to your lenders and creditors** to discuss options for your credit card balance, car payment, student loan, or your home loan. There are no guarantees your lenders can offer a solution but it's worth asking. The longer you wait, the fewer options you'll have.
2. **Consult a Personal Financial Manager**. They can help you figure out options related to adjusting your budget (even temporarily), managing your credit and debt, and applying for emergency financial help. Use Military OneSource's Military Installations directory or the Department of Defense Office of Financial Readiness's directory of PFCs to find a financial manager or counselor near you.
3. **Get free, legitimate help**. To access emergency funds, reach out to one of the military relief societies: Air Force Aid Society, Army Emergency Relief, Coast Guard Mutual Assistance, or Navy-Marine Corps Relief Society.

Before you get a payday loan, cash advance loan, or a car title loan, explore whether you might have less expensive options, like a loan from a bank or credit union, or borrowing from family or friends. Know that the law protects military service members and your dependents: the Military Annual Percentage Rate on payday loans and many types of consumer credit cannot be more than 36%.

Check out DoD's Office of Financial Readiness for other resources to help you navigate your finances.

HOW TO USE THE HIGH-3 AND FINAL PAY Military Retirement Calculators

Courtesy of Military OneSource

If you're an active-duty service member who joined before 1986, then you may be considering retirement with a military pension. But, do you know how much that pension will be? You can get a solid estimate in less than five minutes using free retirement pension calculators for the High-36 and Final Pay legacy retirement systems offered by the Defense Department. Here's how to use them — and what you can do to adjust the outcomes to fund your future retirement lifestyle.

How to use the High-3 military retirement calculator

If you joined between Sept. 8, 1980 and July 31, 1986, you can use the High-3 Calculator to figure out your estimated base pay. This retirement plan offers a pension after 20 years of service that equals 2.5% of your average basic pay for your three highest-paid years or 36 months for each year you serve. That's why the plan is sometimes called the "High-36."

For example, retiring with 20 years of service means your retirement pension will be 50% of the highest 36-month pay average. Waiting to leave after 40 years will make your pension 100% of your monthly pay average.

You may also receive additional payments from your Thrift Savings Plan, if you have chosen to contribute.

Here's how to use the High-3 calculator to see your total projected retirement payments.

High-3 calculator step one: "GET STARTED"

Select whether you are currently "Active Duty" or part of the "Reserve Component," then choose whether you expect to retire from active or reserve duty. To illustrate here, we'll assume retirement straight from active duty.

Then, press "Get Started."

High-3 calculator step two: "PERSONAL INFORMATION"

In this step, you'll put in:

- Your birth date
- Your pay entry base date — Typically, the month and year you first got paid by the military. This can be found on your LES.
- Your current pay grade
- Your active service date — The month and year you first went on active duty, which might be the same as your pay entry base date
- The number of years you'll serve before you plan to separate or retire. It's okay if you're not sure — just put in your best guess.

Once you've put in your answers, press "Continue."

High-3 calculator step three: "RETIREMENT INFORMATION"

For this step, you might not know the answers now. Many of these boxes are pre-filled with the most common responses. Try starting with the suggested common responses. You can always customize the responses through drop-down menus.

You'll enter your:

- Life expectancy
- TSP withdrawal age — How old you'll be when you decide to start withdrawing money from your TSP account. This defaults to 67, the assumed "Full Retirement Age," but you can start withdrawing at 59½ years without paying extra income taxes. The longer you can wait to withdraw, the more money you'll earn.
- TSP contribution rate — How much you contribute to your TSP while you're serving, as a percentage of your basic pay. This defaults to 5%. However, you can increase or decrease this amount if you plan on deducting more or less money from your monthly pay.
- TSP rate of return — How much extra money you think your retirement account will make each year before you start withdrawing from it. This defaults to a 7% average annual increase. You can decrease this percent for a more conservative estimate and a lower future TSP payment. Or, you can increase it if you think the market will perform better by the time you withdraw your funds.
- TSP rate of return after withdrawal — How much you think your account will make each year after you begin to withdraw. This defaults to 3%.
- Current TSP account balance — You can find this information online at the official TSP website.

After you have made your choices, click "Continue."

High-3 calculator step four: "CAREER PROGRESSION"

Remember: your highest 36 months of basic pay determines your eventual pension rate. So, the calculator asks what you think your pay grade may be every year to your projected separation year.

If you're not sure, the system automatically fills in each year's possible pay grade following a "typical military career progression." You can continue from this step or override the calculator's suggestions with the drop-down menu.

The High-3 calculator shows your estimated retirement benefits in three different tabs.

- The first "Overview" tab shows how much you can expect to receive every year through your basic pay, your High-3 pension and any TSP withdrawals combined.
- The "TSP Summary" tab will show the total future amount of your TSP account both as it grows through investments and shrinks as you withdraw.
- The last "All Payments" tab reviews every year of your projected service and retirement payments as a table instead of a graph. This includes your pay grades, any TSP contributions and your retirement payments – both your pension and any TSP payments.

You can change the results of this calculator by adjusting your retirement year, possible pay grades and additional contributions to your TSP account.

For example, you may have originally put in your current pay grade. However, pretend that you'll get a promotion soon – with a higher basic pay — and stay in for another three years at that pay grade. This switch can increase your estimated retirement pay.

If you are a member of the Guard or reserve, your retirement is calculated differently than the active component. You can also calculate your non-regular retirement if you joined before 2018 using the REDUX Calculator.

How to use the Final Pay military retirement calculator

Service members who entered the armed forces before Sept. 8, 1980, and are still serving can use the Final Pay Calculator to estimate their future military pension amount. Service members who joined the service after Sept. 8, 1980 use the High-3 calculator.

Of all the retirement plans, the Final Pay system uses the simplest formula. You'll receive 2.5% of your final monthly basic pay for every year of service. For example, if you retire after 40 years of active service, then you can expect to receive 100% of your monthly base pay as your retirement pension.

For the Final Pay calculator, you'll enter all the same information that the other service members did for the High-3 calculator.

You can also reset the calculator's results by adjusting the factors. For example, delaying your retirement year may result in a higher base pay due to automatic cost-of-living adjustments, even if you don't get a promotion. This would increase your retirement pay.

If you joined after 2018, use the Blended Retirement System calculators for active duty or those in the National Guard or reserves.

Did you know that Military OneSource offers free financial counseling for all active-duty service members and their immediate families over the phone, by chat or secure video conference? They can review your High-3 or Final Pay calculator estimates and offer suggestions on making the most of your future retirement pensions. You can also go to your on-base finance office for free in-person help figuring out your retirement plans and payments.

Remember, the sooner you start planning for your transition to retirement, the more money you'll have to spend when you get there.

Tax Tips Made for Military Life

Courtesy of Military OneSource

As a service member, the tax implications of combat pay, deployment or multiple moves can be daunting. Military OneSource MilTax services — designed specifically for the MilLife — can make tax time easier — and help maximize your refund.

With MilTax, service members have quick access to tax consultants who can answer your questions about the tax code and how it applies to military life, as well as easy, free and secure preparation and tax filing software. All MilTax services are 100% free with no hidden surprises, so take advantage of MilTax to save money and time this tax season.

Gather tax documents first

Before filing, organize paperwork and establish a specific place for all incoming tax documents, like W-2 forms, as they arrive in the new year. You may need to track down others. You'll also need Social Security numbers, birth dates and other information for everyone included in the return.

Take another look at that Leave and Earnings Statement withholding. Taxpayers will want to check to see if their federal income tax withholding will unexpectedly fall short of their tax liability for the year. They can check this by using the Tax Withholding Estimator on IRS.gov.

Not sure of all the documentation you'll need? Contact a MilTax consultant for free help on which documents you'll need to file for your specific situation.

Report any unemployment benefits as income

If you or your spouse received unemployment compensation, you must report it as income on your tax return. You will receive a 1099-G in the mail that states your total received.

Deduct your charitable donations

Gifts to charity can reduce your taxable income if they exceed the standard deduction. You must itemize charitable deductions on form 1040, schedule A. Go to the IRS's Tax Exempt Organization Search to find out whether the charities you gave to qualify.

Contact MilTax with your tax questions

Stuck? Questions? Unsure of the next step? Let MilTax take the stress out of tax season. Military OneSource's tax consultants can answer your questions, and our free tax preparation and e-filing software makes filing your returns fast and simple.

Determine if taking the standard deduction is a better deal for you

You may be able to reduce your taxes by itemizing your deductions. Determine whether it makes sense to itemize or take the standard deduction.

Get tax credits, deductions and exclusions for your classes and more

The IRS allows you to take certain tax credits on your tax returns, including:

The Lifetime Learning Credit is for qualified tuition and related expenses paid for eligible students enrolled in an eligible educational institution. The LLC can help pay for undergraduate, graduate and professional degree courses – including courses to acquire or improve job skills. There is no limit on the number of years you can claim the credit. It is worth up to $2,000 per tax return and applies to 20% of the first $10,000 of a taxpayer's out-of-pocket expenses.

The Earned Income Credit for taxpayers filing jointly who have three or more qualifying children.

The adoption credit allows you to claim eligible adoption expenses with a maximum cap. This credit is nonrefundable, which means it's limited to your tax liability for the year. However, any credit in excess of your tax liability may be carried forward for up to five years.

While the IRS allows taxpayers who itemize to deduct a range of expenses, alimony payments were no longer deductible starting in tax year 2019; the recipient does not have to report alimony as income any more either.

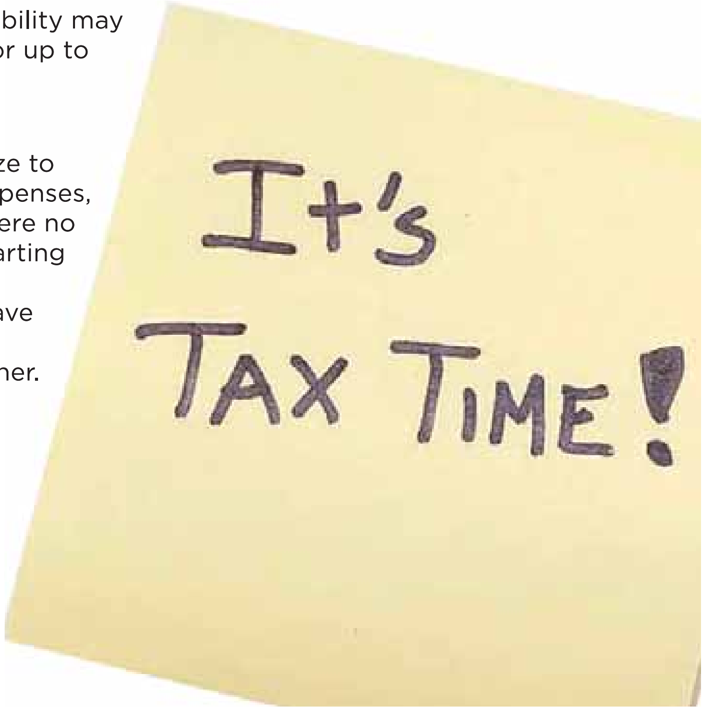
Meanwhile, one exclusion common among military families is the foreign earned income exclusion.

For more information about these or other credits, deductions or exclusions, contact a MilTax consultant about your specific situation.

Take advantage of the Military Spouse Residency Relief Act

Active-duty service members have always been able to keep one state as their state of legal residency for tax purposes — typically their home of record — even when they move frequently on military orders. A state of legal residence is also considered their "domicile" or "resident" state.

The legislation enacted on Dec. 31, 2018, significantly broadens the Servicemembers' Civil Relief Act rights for spouses of military service members with respect to voting and taxation. The Military Spouse Residency Relief Act refers to section 302 of the Veterans Benefits and Transition Act of 2018 and allows for spouses to elect to use the same legal residence as the service member during any taxable year of the marriage, regardless of which state they currently reside.



Get automatic tax extensions when deployed

When you're deployed, your service wants you to focus on your mission, not your tax forms. The IRS automatically extends tax deadlines for U.S. Armed Forces personnel deployed to a combat zone or in support of operations in a qualified hazardous duty area.

The deadline for filing returns, making payments or taking any other action with the IRS is also extended for at least 180 days after the last day the service member leaves the qualifying combat zone service or the last day of any continuous qualified hospitalization for injury from service in the combat zone.

Exclude home sale profits from your taxes

Many military families buy a home knowing they may have to sell it when their next PCS comes around. It's important to know about capital gains tax ahead of time.

If you make a profit from the sale of your main home, you may qualify to exclude a portion of that gain if you file a joint return with your spouse. This is called the Sale of Primary Home Capital Gain Exclusion.

To be eligible for this exclusion, most people must have owned the home for at least two years and lived in that home for at least two of the last five years. However, service members who have moved due to PCS before being able to meet these requirements, may still qualify for an exclusion. In those cases, they may not be taxed with the total capital gain for the sale of the home.

Report and claim casualty losses from disasters

If you have property in an area determined by the president to be eligible for federal assistance — such as a region devastated by a hurricane or forest fire eligible for assistance from FEMA — you can claim unreimbursed expenses from casualty losses on your federal tax return.

If you are eligible to claim a loss on your tax filing, use IRS Form 4684, Casualties and Thefts. Refer to IRS Publication 547 (Casualties, Disasters, and Thefts) and Publication 584 (Casualty, Disaster, and Theft Loss Workbook) for more detailed information.

Additional resources can be found on the IRS website, and MilTax consultants can help you sort out your specific tax situation for free.

Don't ignore a corrected W-2 form

If you receive a corrected W-2, or W-2C, and have filed a tax return for the year covered by the form, then file an amended tax return for the year the corrected W-2 covers. If you have not yet filed a return for the year covered by the W-2C, use the W-2C when filing your initial return.

Be aware that this W-2C is due to the repayment of the Social Security Deferral and you may NOT need to file an amended return. For more information call 800-342-9647 and let a MilTax consultant help you determine if you need to file an amended return or not.

Reach out if you spot an issue

If something doesn't look right on your W-2:

Call the Military Pay customer care center at 888-332-7411 to request a corrected W-2.

Use AskDFAS; clickable icons are located on the myPay and Defense Finance Accounting Services homepages. FAQs are available for information and the application allows members to submit a secure message to the appropriate DFAS military pay office.

Know about tax deductions for reservists

Reservists whose reserve-related duties take them more than 100 miles away from home each way, can deduct their unreimbursed travel expenses on Form 2106, even if they do not itemize their deductions.

Taxpayers can request a free transcript of tax returns covering the past three years. The Get Transcript tool on IRS.gov is the fastest way to get a transcript.

If you have any questions about special tax situations for National Guard or reservists, contact a MilTax consultant for a free consultation.

Remember your retirement plan contributions

An IRA or 401(k)-type plan might mean saving for retirement and cutting taxes at the same time. Service members who contribute to a plan, such as the Thrift Savings Plan, may also be able to claim the Retirement Savings Contributions Credit, or Saver's Credit.

IRAs are different from 401(k)s and TSP. If you file a joint return and have taxable compensation, you and your spouse can both contribute to your own separate IRAs. Learn more and see contribution limits.

There are two kinds of IRAs — traditional and Roth. The Roth is pre-taxed and can be withdrawn after the age of 59½ without penalty. The traditional is taxed at the time of withdrawal and will be penalized if you are not 59½. You can deduct your contributions if you qualify with a traditional IRA, but Roth IRA contributions are not deductible.

TAXES ARE COMPLICATED.

Remember that our 100% free MilTax services — both our expert military tax consultants and e-filing tax preparation software — stand ready to make tax season easy for you. Call 800-342-9647 for 24/7 help.

What is the MILITARY LENDING ACT and what are my rights?

The Military Lending Act (MLA) is a Federal law that provides special protections for active duty service members like capping interest rates on many loan products.

Courtesy of Consumer Financial Protection Bureau (CFPB)

What are my rights under the MLA?

The MLA applies to active duty service members (including those on active Guard or active Reserve duty), spouses, and certain dependents. It limits the interest rates that may be charged on many types of consumer loans to no more than 36% and provides other important protections.

Your rights under the MLA include:

- **A 36% interest cap.** You can't be charged more than a 36% Military Annual Percentage Rate (MAPR), which includes costs like the following in calculating your interest rate (with some exceptions).
  - Finance charges
  - Credit insurance premiums
  - Add-on credit-related products sold in connection with the credit
  - Fees like application fees, participation fees, or fees for debt cancellation contracts, with some exceptions.
- **No mandatory waivers of certain legal rights.** A creditor can't require you to submit to mandatory arbitration or give up certain rights you have under State or Federal laws like the Servicemembers Civil Relief Act.
- **No mandatory allotments.** A creditor can't require you to create a voluntary military allotment in order to get the loan.
- **No prepayment penalty.** A creditor can't charge a penalty if you pay back part – or all – of the loan early.

What types of loans are now covered under the MLA?

In 2015, the Department of Defense (DoD) expanded by rule the types of credit products that are covered by the MLA. In general, the consumer credit products now covered when offered to active-duty servicemembers and their covered dependents include, but are not limited to:

- Payday loans, deposit advance products, tax refund anticipation loans, and vehicle title loans;
- Overdraft lines of credit but not traditional overdraft services;
- Installment loans but not installment loans expressly intended to finance the purchase of a vehicle or personal property when the credit is secured by the vehicle or personal property being purchased; and
- Certain student loans.

What types of loans are NOT covered under the MLA?

There are some loans the MLA doesn't cover – namely, credit that is secured by the property being purchased and certain other secured loans. These loans generally include:

- Residential mortgages (any credit transaction secured by an interest in a dwelling), including financing to buy or build a home that is secured by the home, mortgage refinances, home equity loans or lines of credit, or reverse mortgages
- A loan to buy a motor vehicle when the credit is secured by the motor vehicle you are buying
- A loan to buy personal property when the credit is secured by the property you're buying, like a home appliance.

If a loan does not comply with the MLA, can a creditor not give me the loan because I am an active duty service member?

Generally, yes. If the loan exceeds the 36% interest cap or if the loan violates other provisions of the MLA, creditors that give you the loan could be subject to penalties under the MLA.

Contact your local Judge Advocate General's (JAG) office to learn more about lending restrictions and your rights as a service member. You can use the JAG Legal Assistance Office locator to find help or ask your installation financial readiness office for information. You can also submit a complaint to the CFPB.

VA LOANS VERSUS CONVENTIONAL LOANS

By Robert Steen, CFP, Courtesy of USAA

If you're a current or former member of the military and shopping for a mortgage, you may have an ace up your sleeve: You may be eligible for a VA home loan provided through a private lender and backed by the U.S. Department of Veterans Affairs.

VA loans are loaded with advantages but, in certain circumstances, a conventional loan could be a better choice. Here's a look at the pros and cons of both types of loans.

Benefits of VA loan over conventional loan

The first thing that stands out about VA loans is in most circumstances, there's no down payment requirement. You also avoid paying for private mortgage insurance, or PMI, which most conventional loans require when you make a down payment of less than 20%.

Most borrowers using a VA loan pay a one-time funding fee which ranges from 1.25% to 3.30% of the loan amount. A few different factors can impact the fee, such as your down payment amount, whether you served active duty in the military, or if you've used your VA loan eligibility before. You're exempt from the funding fee if you're receiving VA compensation for a service-connected disability, or if you're a Purple Heart recipient or the surviving spouse of a veteran who died in service or from a service-connected disability.

VA loans typically have easier credit qualifications than conventional loans. But for either type of loan you'll need to show that your mortgage payment will be a reasonable percentage of your total income.

Typically, VA loans tend to have lower interest rates — and if rates drop, refinancing with a VA Interest Rate Reduction Refinance Loan, or IRRRL, can be easier than with a conventional loan. In many cases a VA IRRRL may not require an appraisal or money out of pocket at closing. The VA doesn't require a credit check for an IRRRL but lenders will, at a minimum, look at your housing and payment history. Keep in mind, credit policies and requirements can vary among lenders and will depend on your unique financial situation.

When a VA loan may not be the right choice

There are some situations where a conventional loan may be a wiser choice — or even your only choice.

If you have enough money for a 20% down payment, you may come out ahead with a conventional loan. A down payment that big will exempt you from private mortgage insurance, or PMI, on a conventional loan. And you won't have to pay a funding fee like on a VA loan.

No down payment on a VA loan may sound appealing. Just remember — the more you borrow, the more money in interest you'll pay over time.

If you're purchasing a home far ahead of when you plan to move in, a VA loan may also be out of the question. VA occupancy rules generally require you move into the house within 60 days of your loan closing. Similarly, if you're on active duty and looking to purchase a home at your next duty station — but you don't have PCS orders in hand — you could also run into VA occupancy rules. Nothing's certain about your future residency without those orders.

VA loans also have stricter requirements on the condition of the house. If you're taking on a serious fixer-upper, you may have to go the conventional route.

Finally, here's a cautionary note about putting no money down. Having little to no equity in the home can cause challenges down the road if you move within a short time, especially if the home value decreases. No home equity may mean you'll be required to put cash into the sale of the home, so you may want to plan on being in it for at least three years or more if you plan to put no money down.

The USAA Advice Center provides general advice, tools and resources to guide your journey. Content may mention products, features or services that USAA Federal Savings Bank does not offer. The information contained is provided for informational purposes only and is not intended to represent any endorsement, expressed or implied, by USAA or any affiliates. All information provided is subject to change without notice.

ADVERTORIAL

"Our Pledge to Those Who Serve: The Unparalleled Assurance of MBA's Life Insurance"

In a world filled with uncertainties, the men and women who serve in the military stand as pillars of strength, resilience, and unwavering commitment. Military Benefit Association (MBA) is a non-profit organization established in 1956 by former service members who understand the profound commitment and sacrifices made by you, the brave individuals serving in our military. As guardians of our nation, you face challenges that demand unwavering strength, and it is our duty to reciprocate that dedication. One profound way we honor your sacrifice is by providing financial protection for you and your family. Today, We proudly serve over 130,000 members like you with $13.2 billion of coverage in force.

Military life is inherently unpredictable, filled with deployments, training, and inherent risks. Recognizing these challenges, our life insurance policies extend far beyond conventional coverage, serving as a financial safeguard and a genuine expression of our gratitude for your service.

At MBA, we tailor our life insurance plans to meet your unique needs and those of your families. We stand by you through relocations, deployments, and changing family dynamics, ensuring that our coverage remains steadfast and reliable, adapting to your evolving circumstances.

Moreover, the peace of mind offered by MBA's life insurance extends beyond your active service years. We understand that the transition to civilian life can be daunting, and our life insurance policies provide crucial stability during this period. MBA's support echoes long after the uniform is hung up, offering financial reassurance during this significant phase of your lives.

What sets MBA apart is our dedication to excellence, mirroring the same commitment to service that characterizes military life. With meticulous planning, transparent policies, and a deep understanding of the unique needs of military families, MBA stands as a symbol of unwavering support in an unpredictable world.

MBA's Life Insurance is not just a financial product; it's a pledge—a promise to you, the brave individuals who serve, that your sacrifices will be met with unwavering support. As we salute your bravery and dedication, we affirm our commitment to safeguarding you and your families against life's uncertainties. MBA's life insurance is more than a policy; it's our solemn assurance that you will be cared for today, tomorrow, and for generations to come.

You can become a member of MBA for free. We have resources to safeguard your economic welfare, including financial education on life events, video seminars, market analysis, financial calculators, and more.

MBA membership comes with these added benefits:

- Savings on auto and home coverage
- Generous scholarship program
- Pet insurance voted #1 by industry experts

Give your family the financial readiness they deserve. Call to speak to one of our licensed agents today 888-MBA-8511 or visit us at militarybenefit.org

SERVING THOSE WHO SERVE

Life Insurance Designed for the Military Community

Make Protecting Your Family Your Most Important Resolution This New Year

At Military Benefit Association, we understand the sacrifices you make. That's why we offer **Group Term Life Insurance** with valuable benefits to protect what matters most—your family.

Why Choose MBA?

- Affordable Plans Starting at Just **$2.75/month**
- Exclusive for Military Members, Veterans, and Their Families
- Up to $12,500 Coverage Per Child at No Additional Cost
- Portable Coverage You Can Keep After Transitioning to Civilian Life

Visit: **militarybenefit.org/359** or Call: **888-MBA-8511** (promo code: 359)

Proudly serving the Military Community since 1956.

No Federal Endorsement implied. Like most insurance policies, insurance policies offered by MetLife and its affiliates contain certain exclusions, exceptions, waiting periods, reductions, limitations, and terms for keeping them in force. Coverage may not be available in all states. For complete plan costs and details contact MBA at 888-MBA-8511. 149107-1-G Policy Form Number issued by Metropolitan Life Insurance Company, New York, NY, 10166 **Metropolitan Life Insurance Company** | 200 Park Avenue | New York, NY, 10166. L0424040168[exp0426][All States][DC,GU,MP,PR,VI] © 2024 MetLife Services and Solutions, LLC

MetLife

@MlitaryBenefit

SCAN ME

MONEY MANAGEMENT STRATEGIES FOR MILITARY CHILDREN

It's never too early to start teaching your children about money. In fact, according to the 2013 study at the University of Cambridge, children absorb and establish money habits as early as age 7. Setting a good example for money management at home as well as providing age-appropriate lessons in earning, saving, spending and giving will help you raise financially fit children and build sound financial practices for your child. Don't wait to begin laying the groundwork. Let Military OneSource help you get started with your child's financial foundation today.

Courtesy of Military OneSource

Money basics for young children

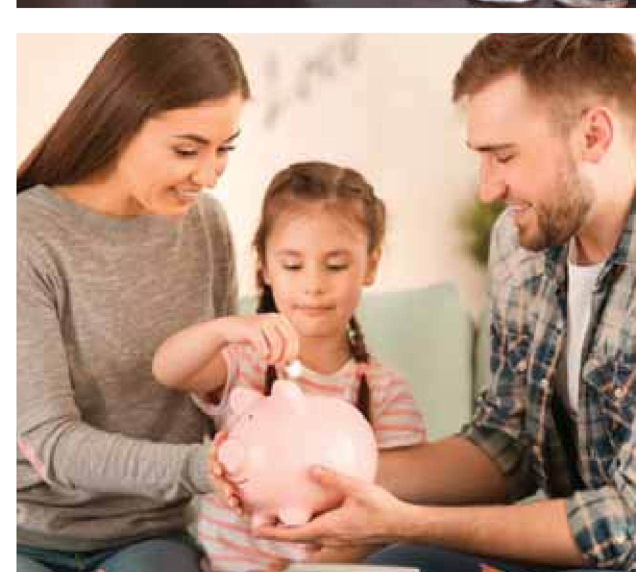
The ABCs of money basics can be introduced to children ages 3-7.

1. **Teach core math basics with money.** Show your child how different forms of currency add up to the same amount of money. For example, a one-dollar bill is the same as 10 dimes and one quarter is the same as five nickels. In addition to using physical money for these lessons, apps like the National Credit Union Administration's World of Cents help young children learn the values and interchangeability of coins and dollar bills.
2. **Introduce the concept of earning money by starting an allowance.** Even at a young age, a child can complete simple responsibilities around the house and earn a small allowance for tasks such as making one's bed, clearing dishes after a meal, or feeding and watering the pets. Whether you pay for a specific task or general tasks you expect your children to complete, give them an opportunity to earn a small amount of physical money. This will help teach them how to save and spend. There are numerous apps targeted to young children which will help them track household chores and earnings by week or by chore.
3. **Give your child a visual way to save.** There are a number of physical and electronic ways to track savings. Encourage your children to save their allowance in a glass jar when they begin to earn money for small tasks around the house. Even the youngest of children can set small goals to buy something special. Help your child keep track of savings progress. You can find fun, printable savings trackers online, from gumball machines and money trees to piggy banks, where children can color in their savings one circle or square at a time. Have a tech savvy child? Money management apps targeted to young children can help them track household chores and earnings, as well as show savings progress toward a desired purchase. When children achieve their savings targets, be sure to celebrate their discipline and patience in waiting to attain their goals.
4. **Have your child make purchases with cash.** Children make the best direct connection between spending and available funds by paying with cash. Guide your child in making small purchases with the money they earn or receive as gifts. If children receive gift cards to spend, show them how much the gift is worth in physical money so they have a greater understanding of the value.
5. **Talk about giving back to your community.** All spending is made up of choices, including donations. Begin teaching your child about giving opportunities in your community, such as food pantries, church fundraisers and other local efforts you see. If you have been financially able to give to charities and organizations, explain why you have chosen to make these donations of time and money.

Money management for the middle years

As your children grow, so will their understanding of math and money.

1. **Teach the connection that money pays for goods and services.** Help them understand that people work in order to purchase goods and services, there are large and small purchases and not all purchases are made with cash. In fact, many purchases can be made with a click of a button or tap of a card.
2. **Help your child explore different ways to earn money.** Teach your child how to increase savings with opportunities such as babysitting, additional household tasks, and yard and garden cleanup, both for you and for others.
3. **Give your child spending choices.** Should you rent a movie or order out pizza? Should you eat out or cook at home? Children learn from



making these types of spending decisions. For accounts linked to your credit card, such as streaming services and other apps with in-app purchasing options, be sure your children understand that any purchases should be discussed beforehand.

4. **Introduce your child to debit card purchases.** You can introduce children to debit purchases by using prepaid debit cards or apps that allow you to view and manage the balance. This is a great first step to prepare preteens and teens for using debit cards tied to their personal bank accounts.
5. **Teach your child to balance a budget and pay monthly bills.** Having your children earn income for household contributions and participate in paying small portions of their leisure expenses is a great way to teach them about recurring monthly costs. You can do this real-time with allowances and household costs, like contributing small portions toward Xbox or other gaming and streaming fees, or you can explore phone and tablet apps that give children credit points or money for household chores or allowances and debit their accounts for monthly "bills." Your children will be well on their way to learning how to set and manage monthly budgets.
6. **Introduce the concept of compound interest.** There are several resources available to help parents explain how debt — and savings — can multiply when interest is at work.

Financial lessons for teens

Money management lessons are especially important as your children become teenagers teetering on the edge of adulthood. There are specific skills that will give teens and young adults the lifelong gift of fiscal know-how and financial freedom. Teach them smart money habits before they go out on their own. Here are ten money management tips to get you and your teen started:

1. **Be open about your family's monthly income and expenses.** Your teen probably has no concept of basic living expenses. Share actual facts and figures with your children to show how you prioritize your spending between "needs" and "wants." This is also a great time to start the discussion about how to pay for postsecondary education. Discuss how tuition and other school fees stack up against scholarships, financial aid, loans, your teen's employment income and family savings.
2. **Help them set up a bank account.** Once your teen has a job and is receiving regular paychecks, it's time to open a checking account. The Consumer Financial Protection Bureau offers a number of how-to guides related to understanding banking options, opening an account and protecting your personal information. Talk to teens about picking a bank and show them how to use online banking tools to check their account balances regularly. Discuss the portability of the checking account between installations if your family expects to move.
3. **Teach teens how to manage debit card use.** Discuss the responsibility of having a debit card. Debit card purchases are easier than ever, and it's important to help your teen be aware of spending habits. Banking apps are a convenient way to keep track of balances on an ongoing basis. Help your teen budget and balance expenses throughout the month as well as track how earning and spending habits align with short- and long-term financial goals.
4. **Review monthly statements together.** Your teen may not realize $50 a month is being spent on junk food, but those $1.50 purchases can really add up. A review of monthly statements can be a great way to point out spending patterns and discuss money management.
5. **Show the impact of savings.** If there's something your teen wants to buy — whether it's small, like concert tickets, or big, like a car — sit down and make a savings plan together. Figure out what amount would need to be saved over how many months to reach the goal. Encourage setting a monthly savings goal.

6. **Discuss how to make smart purchases.** Even if your children know exactly what they want, show them how to do a cost comparison, read product research and check consumer reports. They might figure out another choice is a better value. As teens earn money and learn good spending habits, it's important to teach them how to make SMART goals.
7. **Start out with small monthly expenses.** Giving teens a little financial responsibility each month can help create purposeful spending habits that will serve them well later in life. Whether it's gas, their cellphone or even just a monthly music or movie streaming service fee, this can be a great teaching tool.
8. **Teach teens about the rewards and dangers of credit cards.** While teens must be at least 18 years old to sign a credit card contract, the Credit Card Accountability Responsibility and Disclosure Act of 2009 makes getting an unsecured credit card even harder for young adults under 21 years of age. To unprepared teens, the first credit card can feel like a license to spend. Help them to understand the advantages of building good credit while also explaining the risks of acquiring credit card debt. Revisit the concept of compound interest and how interest and fees can multiply rapidly.
9. **Teach teens about identity theft.** Every teen should know how to guard credit and bank information and when it is appropriate to provide account details to trusted sources. Be sure your teen knows that information should only be shared electronically with trusted sources if it is encrypted or password-protected. This information includes your teen's bank account numbers, credit card numbers and social security number. Teach about common credit card scams, how to recognize and report fraudulent activity and how to avoid identity theft. If at any time you or your child suspects fraudulent activity, report it immediately. The Office of Financial Readiness has a guide that walks you and your teen through placing a credit freeze on your child's social security number to stop identity theft after suspicious activity.
10. **Teach teens how to file taxes.** Federal, state and local income taxes pay for public infrastructure, including roads, schools and emergency services. While paying taxes is considered part of your civic duty, it's also the law. Part of the rite of passage for that first job is understanding how these funds are used as well as learning how to pay and file income taxes annually. Teach teenagers how to understand deductions and keep track of pay statements and how to enter the information from annual tax statements onto tax forms or into tax software, such as MilTax.

Make learning fun

Help ensure your kids remember a lesson by making it fun. Here are some ideas on how to spice things up:

- Snuggle up with your youngster and read or watch video books by checking out BookFlix in the Morale, Welfare and Recreation Digital Library. Find more books to share together from the Consumer Financial Protection Bureau's Money As You Grow Bookshelf.
- Research cars with your teen by accessing the MWR Digital Library's Consumer Reports and determine which models to look for. Discuss everything from your budget and their earnings toward it to the pros and cons of buying new versus used.
- Play related board games or create your own games. Put prices on your kids' toys and help them learn to count money and purchase things. Practice making choices if there isn't enough money for everything they want to buy. Talk about wants versus needs.
- Find activities to do with your kids that teach money skills.
- Sell stuff at a yard sale. Motivate your kids to clean their rooms with the promise that they can keep the money they earn from selling things they no longer use. Depending on their age/ability, they can help add purchase amounts, count money, give change and bag items. Taking personal responsibility for things helps lessons become part of who they are.

Remember that money management is a learning process full of teachable moments and, inevitably, a few setbacks. Budgeting and saving isn't easy, but your children will be grateful to have financial planning skills once they have to do it alone. Start young. Lead by example and put your resources to use. Help your children practice good money management skills throughout their growing years, and explore money management classes available at your local youth center — and watch as they transform into money-conscious adults.

HANDLING YOUR AUTO LEASE, LOAN WHEN STATIONED OVERSEAS

Courtesy of the Consumer Financial Protection Bureau (CFPB)

Under certain circumstances, the Servicemembers Civil Relief Act (SCRA) allows active-duty service members to terminate an auto lease without having to pay early termination charges or a penalty. If you purchased a car with an auto loan, many lenders won't let you move your vehicle overseas and the law does not require them to do so.

If you're a service member who is ordered to move overseas or deploy, there are steps you can take to terminate your auto lease without penalty and to make sure a new car you are purchasing with an auto loan can be taken out of the country.

Eligibility to terminate your auto lease

In order to terminate an auto lease without penalty under the SCRA, you must have entered into the auto lease:

- Prior to active duty, and then been called onto active duty for 180 days or longer; or
- During active duty, and then received orders for:
  - a Permanent Change of Station (PCS) from a location inside the continental United States (CONUS) to a location outside the continental United States (OCONUS), or a PCS from a location OCONUS to any new location; or
  - Deployment with a military unit or in support of a military operation for 180 days or longer.

If you entered into your auto lease during active-duty military service and then received PCS orders, here are some examples of which orders allow you to terminate your auto lease under the SCRA:

- OCONUS to any other state or location
  - For example, Alaska to Hawaii, or Alaska to Texas, or Hawaii to Germany
- CONUS to OCONUS
  - For example, Georgia to Alaska

Carefully read your lease terms and consider your situation before signing the contract. The SCRA does not allow you to terminate your contract if you receive PCS orders from one CONUS location to another, for example, Georgia to California. If you know you may receive those type of PCS orders, make sure your lessor will allow you to take the vehicle you intend to lease out of state.

How to request to terminate your auto lease

To terminate your auto lease without penalty, you must:

- Provide a written notice of termination to the "lessor" or lessor's agent. The lessor is the company or the individual that leased you the vehicle;
- Provide a copy of your military orders to the lessor or agent;
- Deliver the written notice by hand, by a private carrier, by certified mail with return receipt via the US Post Office, or by electronic means (such as e-mail or a communications portal designated by lender or agent); and
- Return the vehicle within 15 days after the date of delivery of the written notice of termination.

Your auto lease will only be terminated after you complete all of these steps, including returning the vehicle.

While the lessor can't charge you for the early cancellation of the lease, the lessor can still charge you for any taxes, title and registration fees, summonses, or any other outstanding fees, including reasonable charges for excessive wear and tear and mileage that were due and unpaid on the date of termination. If you made any advance payments, the lessor must provide a refund to you within 30 days of the termination.

What to do if you are purchasing a car with an auto loan and plan to take it overseas

If you have already purchased a car with an auto loan, the law does not require the lender to allow you to take it overseas. If you are planning to purchase a car with an auto loan, make sure before you sign the loan contract that your lender will allow the vehicle you intend to buy to be taken out of the country. Only your lender can agree to this, unless your dealer is also your lender in what's called a "buy here pay here" auto loan.

Most shipping companies will require you to prove that your lender allows you to ship the vehicle overseas, so it's important to get this in writing when you sign the contract.

It is also important to get in writing that the warranty and any extended warranty will be valid if you need to have any repairs done outside the continental U.S. Many warranties are not valid overseas.

If your lessor refuses to accept your lease termination or tries to charge you a penalty, or you need guidance on shipping a vehicle overseas with a loan, contact your closest legal assistance (JAG) office for more information. You also may be able to get assistance from your state attorney general .

Learn more about whether you're covered by the SCRA at www.consumerfinance.gov.

HOW TO CONTROL YOUR BUDGET WHEN YOUR SPOUSE IS DEPLOYED

Courtesy of Military OneSource

A deployment doesn't need to throw your finances off track. Together, you can establish a budget and take advantage of various entitlements to stay on track. Make it your MilSpouse Money Mission. Entitlements may include:

- Family Separation Allowance
- Combat Zone Tax Exclusion
- Hostile Fire/Imminent Danger Pays
- Hardship Duty Pay

Consider saving extra funds instead of spending them. The Savings Deposit Program is available during combat deployments. Use it to help you stay in control of your finances.

How to stay in control of your finances during deployment

Here are some great ways to keep your bills in check:

- **Discuss bills before your spouse leaves.** Make a list of all your combined bills and when they're due.
- **Don't overspend before the deployment.** Make a budget for deployment spending. Don't go overboard with electronics and equipment that you don't need.
- **Always keep some extra money in savings.** Make sure you keep some extra savings for emergencies, even if it's just a few dollars from each paycheck.
- **Live off your predeployment income.** Sometimes extra pay can tempt you to spend more. Instead, try to live off your predeployment income and use any extra income to pay down debt, or invest for retirement.
- **Take advantage of extra savings during deployment.** Extra deployment pay is a great way to build your savings or invest in your future. Take advantage of these savings plans during deployment:
  - **Thrift Savings Plan.** You'll have some extra, so now's the time to increase your deposits in the Thrift Savings Plan. You're not likely to miss the money coming out every month, and you'll enjoy the benefits in the future.
  - **Roth TSP investments.** You can invest your after-tax dollars into your Thrift Savings Plan account too. With Roth contributions, you have already paid taxes on the money, so you can withdraw it tax-free, along with any earnings it has accrued, as long as you meet certain requirements.
  - **Savings Deposit Program**. At the very high rate of 10% interest, the Savings Deposit Program is an excellent way to grow your savings. The program is available only during deployment.
  - **Military Star card.** Your Military Star card offers special lower interest rates during deployment. If you have other credit cards with a very high interest rate, look at the Servicemembers Civil Relief Act to get them reduced. Contact the legal assistance office on your installation for more information.

Homecoming and overspending

It's the moment you've been waiting for, so it can be tempting to overspend when you celebrate. Here are some ways to keep your homecoming debt free:

- During deployment, set some of your savings aside for a special occasion. Even $50 a month adds up.
- Visit your installation travel office for special post-deployment deals. If you're going to a family resort, be sure to ask whether special rates are available for service members returning from deployment and their families.
- Shop at your installation exchange and commissary for post-deployment celebrations. The tax break and special sales can save you a bundle. Sticking to a spending plan and saving even small amounts can make a huge difference.

Find more tools and tips to keep you and your family strong during every phase of deployment from Military OneSource and your Military and Family Support Center. Military OneSource is ready 24/7 to help you and your family thrive.

WHEN TO START INVESTING: 4 REASONS WHY THE TIME IS NOW

By Josh Andrews, CFP, Courtesy of USAA

In the time I've spent as a financial advisor working to help our members secure their personal finances, "When is a good time to start investing?" is one of my all-time favorite questions.

As with most personal finance topics, the answer depends on your financial situation. But for many people, the short answer is now. Time is on your side.

Read on for four reasons why it may make sense for you to start investing sooner rather than later.

REASON 1:
There's a time value of money.

We hear this phrase tossed around a lot. It means that money in the present is worth more than money in the future. Why? Because inflation causes money to lose its purchasing power.

To illustrate the time value of money, let's take a little field trip back to 1952. To set the scene, the first Chevy Corvette prototype was just completed and the first Mr. Potato Head flew off the shelf.

That year, if I were to buy one gallon of milk and five gallons of gas, it would have cost $1.96. Compare that to today, where the same purchases would run me about $18.97.

Why is time value of money important?

As we see from this example, prices tend to increase over time. One dollar 30 years from now won't buy as much as one dollar today.

We all instinctively understand that. That's why we invest. Our goal is to earn a return that outpaces inflation, so that our money doesn't lose its purchasing power over time.

There's another reason why a dollar today is worth more than a dollar in the future: It has earning potential. With successful investing, we all hope to turn $1 into $2, and then $3, $4, etc. If I have $10,000 today, my goal is to use that to earn a return that outpaces inflation, so that my money is worth more than $10,000 20 years from now.

How do we accomplish that? Through the power of compounding.

REASON 2:
Get the most out of your money with compounding.

When we invest our money, we hope that our money will earn more money, and that money will earn money, and so on and so forth. Our gains come not only from our initial principal, but also from our earnings.

Let's look at an example to understand how compounding works. Sally and Anna both invest $10,000 into a hypothetical investment that earns 6% yearly. Sally decides to spend whatever she makes each year, while Anna allows her earnings to remain invested, giving it a chance to grow even more.

At the end of 40 years, how much do Anna and Sally have, respectively?

Since Sally spent all she gained, she only has $10,000. Anna, on the other hand, has $102,857. That includes her initial investment of $10,000, plus a whopping $92,857 in growth. When it comes to compounding, patience pays off. The graph below shows that Anna's growth really takes off in later years.

REASON 3:
Your financial house is in order.

It's important to have the foundation of your financial house in order before jumping into the stock market and thereby taking on risk. How do you know if your financial house is in order? Chances are good that you have a financial footing if you have an emergency fund, you're spending less than you earn and you're conquering high-interest credit card debt. Here's what I mean.

You have an emergency fund.

This is critical. Without an emergency fund, you might be tempted — or forced — to remove what you just contributed to your investments to pay for an emergency. Depending on the type of account, you could incur taxes, penalties, or both, and possibly even lose money depending on stock market conditions.

How much emergency fund should you have? Before starting to invest, set aside $1,000 in an emergency fund. Then continue to save until you have enough money to cover three to six months of essential living expenses. This way, when an emergency arises, you have funds set aside specifically to help cover those expenses.

You're spending less than you earn.

You should only invest if your budget allows for it. If you have extra money at the end of the month, then you're following one of USAA's core advice principles: Spend less than you earn. Great job.

On the other hand, if you're not spending less than you earn, then chances are good that you're constantly going into debt or eating into an already-existing savings cushion. Before you start to invest, look at your budget and make some adjustments, so that you're controlling your expenses.

You have high-interest credit card debt under control.

People often wonder if they should pay off debt first or start investing first. Comparing the typical interest rate on a credit card versus the return of the stock market gives us good information to guide our decision.

For the 20-year period ending Dec. 31, 2019, the S&P 500 averaged 6.06% yearly return. Compare this to a credit card interest rate, which can be 16% or higher, and it seems it may be more beneficial to redirect some of your monthly savings to make above-minimum and additional payments to pay off high-interest debt quickly.

But don't feel that all your debt must be erased before you start investing. It just needs to be under control. With the right plan, you can simultaneously invest and pay down debt. For example, you can take advantage of matching contributions provided through an employer retirement, which leads us to the next reason.

REASON 4:
You have access to retirement accounts.

Employer-provided retirement accounts are a great opportunity to start investing.

This is a fairly simple way to get started, and your employer may even offer matching contributions. When companies offer a matching contribution to their employer-provided retirement account -- think 401(k), 403(b) and Thrift Savings Plans – they're offering a valuable employee benefit. It's free money, and we don't like to pass up free money.

Even those without access to an employer-provided plan can probably save for retirement with either a Roth or traditional individual retirement account.

It doesn't take a lot of money to start investing. Starting with $25 or $50 is better than not starting at all.

HOW TO RECOVER FROM IDENTITY THEFT

By Colleen Tressler, Courtesy of Military Consumer

We get it. You hoped the day would never come when you learned someone used your personal information to open new credit accounts in your name. But it did. So now what? Act fast. It can help reduce the damage identity theft can cause. Here's how to get started.

Step 1: Call the companies where you know fraud occurred.

- Call the fraud department. Explain that someone stole your identity.
- Ask them to close or freeze the accounts. Then, no one can add new charges unless you agree.
- Change logins, passwords, and PINs for your accounts.

Step 2: Place a fraud alert and get your credit reports

If you haven't frozen your credit, do that, too. When you have a fraud alert on your credit report, a business has to verify your identity before it opens a new credit account in your name. A fraud alert lasts one year, but you can renew it.

- Place a free, one-year fraud alert by contacting one of the three credit bureaus. That company must tell the other two.
- Experian.com/help | 888-EXPERIAN (888-397-3742)
- TransUnion.com/credit-help | 888-909-8872
- Equifax.com/personal/credit-report-services | 800-685-1111
- To get your report, call Annual Credit Report at 877-322-8228, or go to AnnualCreditReport.com. Federal law gives you the right to get a free copy of your credit report every 12 months from each of the three nationwide credit bureaus. The three bureaus also let you check your credit report once a week for free at AnnualCreditReport.com. Review your reports. Look for accounts or transactions you don't recognize.

Step 3: Report identity theft to the FTC. You'll get a free personal recovery plan with next steps.

- To report in English, go to IdentityTheft.gov
- To report in Spanish, go to RobodeIdentidad.gov
- If you're more comfortable reporting in another language, call 877-438-4338 and press 3 to report in your preferred language. Interpreters are available from 9:00am – 5:00pm ET.

STAY AHEAD OF SCAMMERS IN 2025

By Gema De Las Heras, Courtesy of Military Consumer

With scammers targeting our entire life savings with their schemes, we all need to be alert and know how to detect their latest tricks. Something as simple as talking about scams you know about is a great way to help you and your community stay protected. And being part of this solution doesn't require training or a lot of time.

The FTC has free materials and information on hundreds of different scams both in print and online. Here are a few ideas to help you become a fraud fighter.

- **Learn more about what scammers say and do.**
  Start at consumer.ftc.gov where you'll find articles, consumer alerts, and advice to help you spot and avoid scams.
- **Check out resources in multiple languages.**
  If you know people who prefer to get information in their native language, ftc.gov/languages has materials in more than a dozen languages.
- **Get print materials to share with your community.**
  Go to ftc.gov/BulkOrder and order free resources on a variety of consumer topics. Delivery is also free.
- **Keep up with the latest.**
  Sign up for FTC consumer alerts at ftc.gov/ConsumerAlerts to get email updates on recent scams, announcements, and advice.
- **Share what you know.**
  Have a conversation, leave FTC materials where people will see them, or post on social media. Are you part of a group? Consider using Pass It On or Pásalo presentations, complete with notes and supporting materials, to start a conversation about scams. All FTC content is in the public domain, which means there's no copyright or permission needed to use it.

Please remember the FTC wants to hear about scams in any language, even if you didn't lose money. Report in English at ReportFraud.ftc.gov — or in Spanish at ReporteFraude.ftc.gov. To report in other languages, call (877) 382-4357 and press 3 to speak to an interpreter in your preferred language.