LIVING ON A MILITARY PAYCHECK
TAKE CONTROL OF YOUR FINANCIAL FUTURE

BUYING A NEW VEHICLE?
MAKE THE RIGHT CHOICE FOR YOUR MILITARY LIFE

PROTECT YOUR MONEY
SEEING THROUGH IMPOSTER SCAMS

26 MONEY SAVING TIPS FOR MILITARY FAMILIES

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BUYING A PHONE

When buying a phone, research the carriers, devices, and plans that best fit your lifestyle. Talk to family and friends, and search online to learn about others’ experiences.

Courtesy of MilitaryConsumer.gov

TIPS

- Think about what features you need in a phone; for instance, do you use calling and text messaging only? GPS and travel apps?
- Shop around online and in-store to compare prices and incentives. Ask about military, veteran, or other discounts that might be available to you.
- Read and understand the contract. Make sure there are no blank spaces and everything you’ve been promised in conversations is also in writing. Once you’ve signed you’re locked in.
- Consider how many people use your plan—how much they call, surf, or use apps—and your budget. You may have the option to use your current phone or to buy a new one. Many large phone carriers suggest that you pay for your new device in monthly installments. You may be required to pay-off your device before canceling your service.
- If you opt for a prepaid plan, you buy a device and pay in advance for talk, text, and data usage. You’ll need to pay more whenever you deplete your balance. It may be cheaper than a contract plan, but you may experience slower data speeds.
- Did you sign a contract before getting orders to change duty station or deploy? You can cancel your contract without penalty or fees, but only if:
  - your wireless provider doesn’t provide service in the new location
  - your mission doesn’t allow you to use the service or
  - you’re deployed outside of the continental US for more than 90 days.

Imposters pretend to be someone you trust, like a government official, a family member, a charity, or a company you do business with. They seem convincing, and pressure you to send money before you have time to think.

Tips

- Don’t send money or give out personal information in response to an unexpected request—whether it comes as a text, a phone call, or an email.
- Scammers can be convincing and find ways to make their story seem real. They sometimes use information from social networking sites to convince you they know you. They might hack into a loved one’s email account to seem like it’s really the person you know reaching out.
- Is a distressed friend or love interest in touch? Check it out. Look up that person’s phone number yourself and check in. Call another family member to see what they know. Is there a real emergency?
- Does it seem to be the IRS calling? Hang up. The IRS will never contact you initially by phone. The real IRS won’t ask you to pay with prepaid debit cards, iTunes cards, or wire transfers. They also won’t ask for a credit card over the phone. If you have tax questions, visit IRS.gov or call the IRS at 1-800-829-1040.
- Does a caller say you’ve been selected to get a grant or other money from the government? Even if you’ve recently completed the Free Application for Federal Student Aid (FAFSA), a real government agency won’t ask you to pay a processing fee related to FAFSA or for a grant that you have already been awarded.
- Does the caller say your computer has a virus and they can help? Hang up. Never give control of your computer or your credit card information to someone who calls you out of the blue.
- Is your online romantic interest asking for cash? Don’t wire money or give out account information. Scammers, both male and female, make fake dating profiles, sometimes using photos of other people—even stolen pictures of real military personnel. They build relationships—some even fake wedding plans—before they disappear with your money.
Prepare your finances for the transition to civilian life

The transition from military to civilian life brings many changes, new adventures, and often a few challenges. Let us guide you on transitioning to civilian life.

There’s a lot of upside to transitioning to civilian life. No more early morning runs, PT tests or deployments, to name a few. But as with most of life’s exciting transitions, there are also challenges, such as finding a new civilian job, settling into a new community, and navigating the civilian world of insurance and health care.

It’s important to prioritize your finances in the wake of all the excitement around returning to civilian life. To strengthen your financial foundation, first focus on building your transition fund.

What is a transition fund?

A transition fund is money you set aside to help you move from the military to civilian life. Aim to stock your transition fund with six to 12 months’ worth of living expenses — a big number that will come in handy if you have an employment gap or paycheck delay.

“It’s important to note that this transition fund doesn’t take the place of your emergency fund,” says Josh Andrews, USAA Director of Military Advice and a retired Air Force lieutenant colonel. You need an emergency fund with three to six months’ worth of living expenses, plus a transition fund with six to 12 months’ worth of living expenses.

“For most of us, leaving the military is not an emergency but a known life event,” says Andrews. “If you know it’s coming, plan for it.”

What your transition fund covers

After returning to civilian life, you can use your transition fund to pay for items like rent or mortgage, medical expenses, job search expenses and even groceries.

“Some things are obvious, like your family needs food for meals and groceries even if you don’t have a job,” says Andrews. But it also helps with expenses you might not think about. “When I was transitioning from the Air Force, my transition fund covered things like civilian clothes for my job at USAA.”

As a pilot, Andrews always just wore a green flight suit. “I didn’t have civilian work clothes — much less a whole wardrobe — and that’s an expense I was not expecting,” he adds.

Searching for a new job is already one of life’s most stressful events. There’s a lot of pressure to secure employment, and if you’re strapped for cash, that pressure can turn to anxiety. If you have a transition fund, you have some flexibility to wait for a job that’s a good fit, not just the first job that comes along and pays the bills.

“I can’t tell you how many stories I’ve heard from veterans who took a job they didn’t want simply because they needed to pay bills,” says Andrews.

How to stock your transition fund

So how do you save such a large sum of money?

“This is a very common question,” says Andrews. Most importantly, get a head start. “USAA believes in beginning to save for the transition fund at least two years before your expected transition date.”

Follow these steps to prioritize your transition fund:

1. Review your current budget to find savings opportunities, which might include reducing expenses like eating out, vacations or entertainment.
2. Once you find those savings opportunities, automatically deposit the extra money into your transition fund each paycheck.
3. Contribute any unexpected windfalls, such as a tax refund, to make large gains.

“It’s the principle of ‘paying yourself first,’” says Andrews. “If you wait until the end of the month to save out of what is left over, you will probably reach the end of the month and find there’s nothing left with which to save. Most of us are that way.”

What to do with any leftover funds

If you don’t deplete your transition fund as you return to civilian life, consider yourself lucky. A 2019 Pew Research study reported that among post 9/11 veterans, 43% took longer than six months to find a job. If your job search takes longer than you expect, the transition fund will be a life saver when it comes to paying bills and providing for you and your family.

“I’ve never heard anyone complain about saving too much,” Andrews says. But if you have money left over in your transition fund, you can apply that to other goals, such as emergency fund, retirement, buying a home or paying down debt.

Military retiree considerations

If you’re retiring from active duty, your military pension will provide consistent income that can help offset how much you have to withdraw from your transition fund. TRICARE can also help military retirees offset medical costs, which can quickly erode your emergency or transition fund.

If you’re in the Guard or Reserves, you may not get your military pension and medical benefits immediately, but at the same time, the transition to civilian life is likely less dramatic.

As Guard and Reserve service members leave military service, they’ll have some decisions to make around the Reserve Component Survivor Benefit Plan. This article can help.

Congratulations on your upcoming transition to civilian life. There are so many opportunities, and the experience will be full and rich if you’re financially prepared.
Here to Help You on Your Journey

Financial wellness options for everyone.

Service Credit Union is here with customized resources to help manage your credit cards, buy a new home or to keep your finances on track.

Open a Service Credit Union Primary Savings Account and earn 5% APY on your first $500 in deposits.∗

Visit us at servicecu.org/SSwellness.
Want to protect your hard-earned cash? Military discounts go a long way. Always ask retailers, restaurants, airlines, motels and other establishments, “Do you have a military discount?” Here are 26 other money-saving tips. Go ahead, wave your frugal flag.

**Save at home**
- **Do-it-yourself repairs and maintenance.** Whether it’s painting a room, doing yard work or making minor repairs, even those who are all thumbs can often handle these tasks. And if you’re already a do-it-yourselfer, you can take on bigger projects. Check out service member deals at home improvement stores.
- **Trade time/repair skills with a neighbor.** Swap services or trade time (a Saturday, for example) with a neighbor. You may know plumbing and your neighbor may be handy with a hammer. Trading time with a trusted neighbor can extend beyond home repairs.
- **Use coupons.** Use coupons or join a coupon exchange for home services that require a pro.
- **Shop garage/yard sales and second-hand stores.** You can get great deals on things like furniture, dishes and clothes.

**Save on entertainment**
- **Think free outings.** Check out the local parks, memorials and art galleries. Have a picnic. Go on a walk, hike or stroll. Have kids? Take them fishing or to the playground.
- **Have a leisurely lunch.** Have lunch out and eat dinner in. Lunch is often cheaper than dinner. Or, when you’re out for dinner, split an entree.
- **Host a pot-luck dinner.** It’s cheaper, you will satisfy a variety of tastes and you won’t have to do all the cooking. It’s also fun and social. *Tip: Have everyone bring a specific or assigned dish so you don’t end up with too much of the same thing.*
- **Seek discounts at amusement parks and museums.** Most offer military discounts. Browse “military discounts at amusement parks” and you’ll find a bunch. The same goes for museums. Better yet, visit the Morale, Welfare and Recreation Digital Library on Military OneSource to find a range of fitness, recreational and skills development programs, tickets and more — some at reduced rates.
- **Shop online.** Sure, you’re already doing it. But you can shop for just about anything online and compare prices. And don’t forget to search for online coupons.

**Save on clothes and school supplies**
- **Look for deals.** Shop at your military installation’s commissary and exchange. Shoppers typically save more than 30% compared to shopping off base. Or shop at outlets and discount stores. Consignment and thrift shops are good too. And look for deals online.
- **Stock up on basics during sales.** When you find good deals on socks and underwear, buy a few extra pairs to lock in the savings.
- **Get the most from your wardrobe.** Sticking to similar color combinations or buying clothes in neutral colors lets you do more with fewer pieces of clothing.

**Save with military travel deals**
- **Visit national parks for free.** The National Parks and Federal Recreational Lands Pass is your ticket to more than 2,000 federal recreation sites. A free annual pass is available for current U.S. military members and their dependents.
- **Go camping.** It can be cheaper and more fun than hotels, and there are numerous options throughout the United States geared specifically to service members and their families. But if camping isn’t your family’s thing, pick kid-friendly hotels that don’t charge extra for children.
- **Travel off-season, with a group or on a tour.** These often turn out to be cheaper options.
- **Use Department of Defense lodging services.** Military families are eligible to use military lodging around the world, ranging from cottages on the beach to world-class resorts or recreational lodging facilities. Destinations include big cities, resort towns, mountain top retreats and overseas locales.
- **Fly for free.** Service members and their families can fly free or at very low cost when space is available on military flights. Space-A Travel can be tricky at times but can save you lots of money on flights.

**Save on transportation**
- **Walk, bike or use public transportation.** It’s cheaper and healthier for you and better for the environment. If these aren’t options for you, then consider carpooling.
- **Shop around for car insurance.** Compare rates online and consider a higher deductible on collision coverage if your car is older. While you’re at it, keep your car well-maintained — and DIY, if you have the know-how.
- **Buy a used car.** A two-year-old car can save you thousands versus buying a new car. But be sure and have a mechanic check things out before you buy.
- **Do your research whether you are buying a new or used car.** Gain confidence at each stage of the car-buying process and have some fun along the way through this course.

**Save on utilities**
- **Do the basics.** Turn off the lights when you are not using them and unplug your computers, appliances, and charging cables if practical. Visit the Department of Energy’s Energy Saver website. Don’t heat or cool rooms you don’t use. Close your fireplace damper when it’s not in use.
- **Insulate your attic or other unfinished spaces.** Use storm windows and weatherproof your home to reduce heat or cooling loss.
- **Watch the thermostat.** Setting the temperature inside your home between 68 and 72 degrees may keep you comfy, but it can take a toll on your wallet. Consider a higher setting in the summer and use fans when you can. And consider setting it lower and wearing extra layers of clothes during the cooler months.
- **Double check your cell phone and cable bills.** Make sure you’re not paying for needless services. Also, bundle your phone, internet and cable, if you can. And if you don’t have unlimited data, watch your usage on mobile devices.
- **Buy energy-efficient appliances.** Look for the Energy Star label. These are just some of the ways to save. Remember to present your military ID card at your installation’s Information, Tickets and Travel office to get the best deals locally and out of town.
5 TIPS FOR USING CREDIT CARDS

Whether you’re stationed out of the country or just traveling overseas, paying with credit cards is generally a safer option than ATM cards. Check out these tips for protecting your money while you are abroad.

- **Pick a universal card.** Stick to widely accepted credit cards, and choose a company that makes using their card while traveling as easy as possible.

- **Keep the contact numbers for the card issuer handy.** Look up your card issuer’s international phone number and keep it with you so you can get assistance quickly if you lose your card.

- **Notify your issuer.** If your credit card company sees your card being used in places you don’t normally go, it could result in your account being temporarily suspended. Save yourself that hassle by letting your card issuer know ahead of time that you are going abroad.

- **Ask about fees.** Before you depart, ask the issuer what fees they will charge for using your card abroad. If you have more than one credit card, take the one with the best rates for withdrawing money and making transactions.

- **Save your receipts.** When buying things overseas, or anywhere for that matter, save your receipts so you have a paper record of what you purchase in case of a disputed charge or for whatever reason you believe you are entitled to a refund.

If you plan ahead, using your card overseas should not be a problem. Manage your spending safely and securely from anywhere with help from the financial resources provided by Military OneSource.
Consumer Advisory
KNOW YOUR RIGHTS
Under the Servicemembers Civil Relief Act

The Servicemembers Civil Relief Act (SCRA) has been amended to make it easier to terminate residential housing and automobile leases without penalty. Service members, veterans, and their families should also be aware to do the necessary due diligence before waving their SCRA rights. Not doing so may result in dire consequences.

What is the SCRA
The SCRA provides extra protections for service members in the event that legal or financial transactions adversely affect their rights during military or uniformed service.
- The SCRA applies to the following service members:
  - Active duty members of the Army, Marine Corps, Navy, Air Force, and Coast Guard;
  - Members of the Reserve component when serving on active duty;
  - Members of the National Guard component mobilized under federal orders for more than 30 consecutive days;
  - Active duty commissioned officers of the Public Health Service or the National Oceanic and Atmospheric Administration.

SCRA rights may also be exercised by anyone holding a valid power of attorney for the service member. Some SCRA protections also apply to dependents.

The SCRA has been amended to allow for lease terminations electronically
Today, many businesses provide consumers with the option to conduct transactions and communications electronically, whether it's leasing a residence or purchasing an automobile. However, certain landlords and automobile dealers have denied service members the convenience of terminating their leases electronically. Instead, service members had to provide them with written notification by hand delivery, private carrier, or regular postal mail with return receipt requested.

In 2021, the SCRA was amended to allow qualified individuals the ability to terminate these lease agreements electronically by sending a notice of termination along with a copy of their orders or a letter from their commanding officer via email or through a communications portal designated by the lender or agent.

Before waiving your SCRA rights, always consult with a qualified attorney
Service members are sometimes asked or pressured to waive their SCRA rights in order to lease a residence. Recently, a service member reported that while going through a Permanent Change of Duty Station, she conducted her entire housing search online, came into town to pick up keys from the leasing office and was handed an SCRA waiver form. She reported feeling pressured to sign the waiver because she was new to the area and did not have anywhere else to live. One-hundred thousand service members undergo a Permanent Change of Duty Station annually, according to the United States Department of Defense.

It's important to understand the impact that waiving your SCRA rights may have on your finances and your ability to complete your military duties. The waiver may allow landlords or creditors to obtain quick default judgments while a service member who is deployed or moved out of the area, for official reasons, has no way to defend him or herself. Service members, including all officers, are also subject to routine national security clearance checks that include detailed reviews of their credit history, and these judgments can negatively impact your credit report, which can have long-term financial implications and make it difficult to obtain a clearance or promotion.

Before signing an SCRA waiver, make sure to read it carefully and talk with a military legal assistance attorney or private attorney for guidance.

If you believe your SCRA rights have been violated, you have options
It is illegal for you to be retaliated against for asserting your SCRA rights. If you believe your rights have been violated, you can:
- Seek assistance from a local military legal assistance office
- Contact your state attorney general
- File a complaint with the Department of Justice's Office of Civil Rights
- Submit a complaint with the CFPB if you have a problem with a financial product or service.

What the CFPB is doing to help service members know their rights under SCRA
We've developed several resources to help you better understand the full financial and legal protections available to you under SCRA:
- SCRA Page – a comprehensive overview of the Servicemembers Civil Relief Act
- AskCFPB on SCRA – clear, impartial answers to common SCRA and other servicemember-related financial questions, including how to place an active duty alert on your credit reports during deployments.
- Misadventures in Money Management Program – education and training for future and current service members on critical financial topics, including SCRA.
- The Focus on Military Communities Companion Guide – our “go-to” resource for those who help servicemembers, veterans, and their families reach their financial goals.

Additionally, our Office of Enforcement has a single point of contact to provide training on certain aspects of federal consumer financial laws and technical guidance to military legal staff and personal financial readiness managers and staff.

LIVING ON YOUR MILITARY PAYCHECK
Courtesy of Military OneSource
You can take control of your financial future today. Start small with a few simple changes to save more, spend less and better manage your day-to-day finances. Here are some tips:
- Draw a line in the sand. Give yourself and your family a start date and commit to making changes from that date forward.
- Find out how much income you have to work with. See the Basic Pay tables for active duty pay and reserves and log in to myPay to manage your pay and other financial accounts.
- Make a spending plan and stick to it. Calculate your expenses, review what you spend and pledge to better manage your money.
- Hunt for places to trim spending. Downgrade to a lower monthly cable or cellphone plan, and use those savings to reduce your debt down a peg or two.
- Shop your commissary and save an average of 30% on groceries and household items. Shop your exchange to make tax-free purchases.
- Think before you buy. Walk away from big purchases or a string of small purchases. Ask yourself if you really need them before wanting them doesn't count. If you can't justify an expense, it's an expense that you don't need right now.
- Save for big purchases instead of charging them.
- Check your attitude when it comes to earning extra income. When you need to pay bills, a “that job is beneath me” mindset won't get you very far.
- Pay in cash. You're less likely to waste money when you're handing over actual currency.
- Avoid being an emotional shopper. If “retail therapy” or “mental health” money is keeping you up at night until you experience how fabulously it feels to be debt-free.
- Save on expensive air travel by booking your next flight on space-A passenger transportation. When military flights have extra seats, they open them to military families at no or low cost – and you save big.
- Take tips from the experts. Get professional advice on how to efficiently pay down your debt and get a grip on your finances.
- Read the fine print. The Consumer Financial Protection Bureau can show you how carrying credit card balances keeps you locked in debt. You're ready to tackle these challenges and you have support in your corner. Let the financial experts at Military OneSource or your installation's Personal Financial Management Program help you with financial planning, debt counseling, budgeting, spending plans, overall money management, military loans, mortgage or rent help, and more.
Buying a Car is one of the biggest and most important purchases you will make. There’s a lot to know about—from sticker prices to auto loans to warranties. Do your homework ahead of time, get advice from someone you trust in your command, be mindful of scammers or deceptive sales practices, and follow these steps.

**Assess Your Needs**

Think about how owning a vehicle fits into your military life. That new car with all the bells and whistles may look good, but remember that the moment you drive off the dealer’s lot, the car’s value will begin to depreciate. New cars can depreciate faster than used cars, according to the Office of Financial Readiness.

Your answers to the following questions may help you figure out the type of car that best meets your needs.

- In general, what will you be using your car for?
  - What will you do with your car while you are deployed?
  - Would you be comfortable putting your vehicle in storage when you PCS to a place where you can’t take the car?
  - If you can take your car to your next assignment, what type of vehicle would be good for your new location?
  - Could you get by with ride-sharing or even a bike?

**Focus on the Financing**

Many car buyers use auto loans to pay at least some of the cost of a vehicle. A loan can make paying for a car easier, but be smart in your borrowing. Making a few wrong decisions in the finance office could end up costing you. Understand the total cost of your purchase, how much you are financing, and how much interest you will pay over the life of the loan.

The Military Lending Act offers protections to service members, including limiting the amount a creditor may charge, but military members should still educate themselves on the financing process. Check your installation’s website to see if it posts off-limits establishments to help you stay clear of local predatory lenders or car dealers.

These factors play into your loan terms and what you’ll pay:

- **Your credit score**: Prepare now by checking your credit report. You may find errors to address, or you may want to take steps to improve your score. Military OneSource free financial counselors or your personal financial manager at your installation’s Military and Family Support Center can help.
  - **Interest rates**: Check the current market rates for auto loans. Keep in mind that your rate will be based, in part, on your credit history, so a first-time buyer may not be eligible for the best rates. Also, check with your bank or credit union to see what they can offer.
  - **Beware of add-ons**: Beware of last-minute dealer add-ons, such as extended warranties, which may extend you beyond what you have budgeted for a personal vehicle.
  - **Down payment**: Larger down payments mean lower monthly costs and/or shorter loan terms, which puts more money in your pocket in the long run. Trading in an old vehicle can also bring your cost down, though it may also pay off to do some research and sell your car outright.
  - **Focus on the total cost**: Your monthly payment is an important part of the equation, but the actual cost of the car is what’s most important. A creative financing person can always manipulate the terms to get the monthly payment down to a certain number, usually by giving you a longer loan.
  - **Length of the loan**: Longer loans mean more money paid in interest. More importantly, longer loans mean a longer time that the balance on the loan will be higher than the value of the car, which is also called negative equity, being “upside-down,” or being “underwater.”
  - **Location restrictions**: Will your lender permit you to take the vehicle out of the state or country if you get overseas orders? To ship a vehicle, you’ll need written permission from the lienholder. Make sure your loan doesn’t prohibit you from moving the car across the country or world.

Planning for the financial aspects of buying a vehicle helps ensure that you’ll end up with a car you can afford. It’s essential that you don’t get overextended because money troubles could derail your military career.

**Car Shopping**

Once you know how much you can afford to spend, research vehicles online to determine which ones best meet your needs as well as your budget. With information in hand, visit several dealers to test drive several different vehicles before you make a final choice.

Consider taking a friend with you or asking someone in your command to help you with your purchase. It’s a lot easier to walk away when you’re not alone. Don’t feel pressured by your situation or the seller to make a snap decision. Consider making a list of questions based on your initial visit and then follow up if you’re still interested in buying.

Once you’ve found the right car, there are still a few things to finalize. Remember: understanding all the costs involved in owning a car can help you buy a vehicle that keeps you within your budget.

**Finish the paperwork**: You’ll likely spend some time with the seller finishing the paperwork for your car purchase. Don’t buy anything at the last minute that you haven’t already factored into your budget. Consider taking the loan and sales contract to your legal services office for a review. Don’t sign a contract until you understand all the terms.

**Get the right insurance**: Insure your new car immediately. Consider comparison shopping between a few insurance companies to see if one has better rates for the same coverage. Be sure that your insurance company understands that the car is registered in your state of legal residence but generally needs to be insured where it is kept. Check with your insurer to make sure you have the right coverage.

Buying the right vehicle for your needs and one that fits your budget can help make car ownership a positive experience. Doing your homework and shopping smart is the best way to make the right choice for your military life.
Don’t let post-deployment celebratory purchases wreck your finances

For some service members and their families, returning home post-deployment can be almost as stressful as the deployment itself.

“Even though it feels like it should be a happy time—and in many cases it is—it’s a tough adjustment for everyone involved,” says Josh Andrews, USAA Director of Military Advice, CFP® professional and retired U.S. Air Force lieutenant colonel.

Still, homecoming is a cause for celebration. Marking the occasion with a post-deployment celebratory purchase not only eases the stress, but it also feels like a fitting reward for a job well done. Plus, it can give service members something to look forward to.

“When I was deployed to Afghanistan, much of the conversation centered on what everyone was going to buy once we all got home,” Andrews says. “People were discussing new cars, trucks, that long-desired motorcycle, or, in my case, a new TV.”

While it’s not a bad thing to make celebratory purchases post-deployment, consider the cost of impulse buying. Before you celebrate today with a charge you may regret later, think it through by asking yourself a few questions.

Do I need this item?

Some financial problems are caused by the “need versus want dilemma.” You think you need an item, so you go out and buy it right away, but you could probably easily do without it.

Of course, that doesn’t mean buying things you want is wrong.

“You’ve just deployed, and you deserve something fun,” Andrews said. “But protect yourself financially by setting a limit on how much of your deployment ‘extra’ you will spend on celebratory purchases.”

Andrews recommends saving no more than 10% of the extra income and bonuses you gained from deployment as fun money. That way, you won’t be tempted to overspend on an impulse purchase.

“I truly didn’t need the new TV. I just wanted to upgrade from my 8-year-old tube TV to an LED flat screen,” says Andrews.

In the end, he decided to bring it home—but not before he ran the numbers to be sure it fit within his budget.

Is it worth my money?

To see if your celebratory purchase is affordable, review the total cost of ownership. For some items, the initial purchase cost isn’t as much as the ongoing maintenance costs.

Consider Andrews’ friend, who had his sights set on a new pick-up truck. His total cost of ownership included an initial down payment, monthly payments, auto insurance and ongoing maintenance costs.

When you think about the total cost, is that really what you want to spend your money on?

Remember the opportunity cost, too. In other words, you’re not just deciding whether you want a new truck. You’re also deciding whether you want to spend money for other goals like reducing debt, growing your wealth by saving for retirement or buying a home.

That’s the exact approach Andrews took to buy his new flat-screen.

“IT was going to cost me $1,200, so I saved $600. Then my hostile fire pay made up the other $600,” he said. “That allowed me to have fun and feel financially responsible at the same time.”

Pay cash

Deployment and your homecoming are demanding enough without adding financial stress to the mix. Consider paying cash for post-deployment celebratory purchases to avoid racking up a big credit card balance that you can’t pay off.

Celebrate the opportunity to accomplish other financial goals

It’s fun to have a shiny new toy, but it’s also fun to have the peace of mind that comes with financial security. If you want to improve your financial situation, this extra deployment money gives you a great opportunity to grow your wealth in other areas.

Follow these guidelines if you need help prioritizing your spending:

1. Establish an emergency fund of $1,000
2. Consider paying off high-interest consumer debt
3. Fully fund your emergency fund with three to six months’ worth of essential living expenses
4. Start or continue saving for retirement
5. Consider paying off your remaining consumer debt
6. Set aside up to 10% of fun money—you’ve earned it
7. Start or continue to save for other financial goals

Andrews stresses the importance of carving out up to 10% of your money to celebrate your return from deployment.

“You’ve worked hard, and you earned it,” he says. “Just don’t let that momentary celebration wreck your finances for years to come.”

And most importantly, take your time before making any big financial decisions.

“Post-deployment, give yourself time to take a deep breath, readjust and allow your stress to reduce,” says Andrews. “That waiting period can help you avoid rash or impulsive purchases. Then you can make financial decisions with a clearer head.”

Avoid buyer’s remorse

At some point in their lives, just about everybody has had the feeling of regret that follows an impulse buy. Not only does buyer’s remorse have that feeling of regret, but it can also sting later on if it has negative impacts on your finances. Take these steps to avoid buyer’s remorse.

Sleep on it

Impulse buying usually leads to buyer’s remorse once the newness wears off. After you make your decision, sit with it for a couple of days before you make the purchase. You just might see things differently, says Andrews.

“Items I’ve purchased are always shinier in the store than when I get them home.”

Phone a friend

In general, it’s a good idea to get a financial accountability partner to help keep you on track as you work toward your financial goals. Choose someone like a spouse or a close friend who you can trust to hold you to your plan and to keep your information private. Before you get caught up in the excitement of a celebratory purchase, talk to your accountability partner who will tell you what you need to hear—not what you want to hear.

Save for it

If you’ve considered the previous questions and responsibly determined that you can’t afford your post-deployment celebratory purchase now, that doesn’t mean you can’t ever have it.

“One idea is to use some of your deployment money as a strong start to save up for the item over time,” suggests Andrews. “Or use it to help you achieve a savings goal you’ve been working toward.”

Courtesy of USAA
Help protect your family with Term 90 Plus life insurance.

Term 90 Plus life insurance offers rates that let you start getting protection more affordably. The military trained you to be ready for anything. At Military Benefit Association (MBA), we think you should be just as ready when it comes to your family’s financial protection. It all starts with life insurance — one of the smartest and simplest ways to help protect your loved ones.

Life insurance that makes protecting your family easy.

MBA Term 90 Plus life insurance offers solid protection — whether you want to add to your SGLI or are looking for an affordable alternative to VGLI.

MBA Term 90 Plus life insurance features:

- Rates start at just $2.50/month for $50,000 coverage
- Affordable alternative to VGLI
- Coverage up to $1,000,000
- Coverage up to age 90
- Coverage available to non-military spouses
- Eligible children may be covered up to $12,500 at no additional cost
- Plans can go with you when you enter civilian life
- No limitations on aviation-related deaths
- No war clause

Who is eligible?

Level Term life insurance is available to Active Duty and Retired Service members, Reservists, National Guard members, Veterans, and all spouses of military personnel.

Monthly rates per $50,000 of life insurance coverage:

<table>
<thead>
<tr>
<th>Age</th>
<th>Non-Tobacco User Premium</th>
<th>Tobacco User Premium</th>
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<tbody>
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</tr>
</tbody>
</table>

Insured members qualify for non-tobacco discount if they have not used tobacco products during the past 12 months. Rates increase at 5-year intervals until age 90. Coverage reduces at age 70 and again at age 80, and terminates at age 90.

The benefits of membership.

Joining MBA is 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:

- Free will preparation services and power of attorney services for insured members
- Free estate resolution service for insured members
- Savings on auto and home coverage
- Generous scholarship program
- American Military University tuition discounts

Give your family the financial readiness they deserve. Call 1-877-MBA-1020 or visit us at militarybenefit.org.

* The $2.50 rate is non-tobacco user rate for members up to age 29 for $50,000 (1 unit) of coverage. Provided by MetLife Legal Plans, Inc. 2 Coverage provided by Liberty Mutual Insurance. Not affiliated with MLIC. Like most insurance policies, MetLife’s policies contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Coverage not available in all states. Offer for Term 90 Plus only; certain eligibility restrictions apply. For complete plan costs and details contact MBA. Your application is subject to review and approval by MetLife based on its underwriting rules. Rates may be changed on the entire group plan or on a class basis and on any premium due date on which benefits are changed. A class is a group of people defined in the group policy / policy exhibits. Benefits are subject to change upon agreement between Metropolitan Life Insurance Company and Military Benefit Association.

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FINANCIAL READINESS

for military families.

As a member of the military, you know what it means to be ready for anything. Shouldn’t you make sure your family’s finances are ready, too? It all starts with the right amount of life insurance.

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T-A-X-E-S. It's that time of the year again. The good news is that members of the military community have access to Military OneSource MilTax benefits to help take the hassle out of tax time. The MilTax suite of services is provided by the Department of Defense — which comes with a 100% guarantee — exclusively for service members, eligible family members and survivors.

With MilTax, you have 24/7 access to tax preparation and e-filing software. You can also live chat or call 800-342-9647 any time to schedule an appointment to speak with consultants trained in tax considerations for the military. They can help you understand how tax laws affect you and your family. Use these resources to get an early start on filing your tax return and increase your chances of getting a nice refund. With MilTax, there are no hidden surprises.

Get ahead of — and a handle on — your taxes

Whether you use MilTax or do it yourself, here are some steps to make tax filing simple.

- Get an early start. Identify one place — a folder, shoebox or computer file, for example — to put all your tax documents so you have everything together when you need to file.
- Gather the documents and items you'll need for tax preparation. These include:
  - Social Security number(s) and date(s) of birth for you, your spouse and other eligible family members
  - All W-2 forms, from all employers, for you and your spouse
  - Form 1099 for independent contractors
  - Documentation of child care, education and adoption costs
  - Investment income forms
  - Alimony information
  - Social Security benefits information
  - Miscellaneous income forms
  - Form 1098-E for student loan interest
  - Form 1098 for home mortgage interest
  - Charitable donations receipts
  - Medical and dental expense bills
  - Real estate tax documents
  - Receipts for any deductible expenses
- Not sure of all the documentation you'll need? Contact a MilTax consultant to answer your questions on which documents you'll need to file for your specific situation.
- Make a list of questions for a MilTax consultant or other tax adviser. Questions may include:
  - Can I write off certain expenses? Can I get an extension? What happens if I'm serving in a combat zone? What should I do if our family moved this year?
  - Discover special tax benefits enjoyed by service members. These range from extra pay for those serving in combat zones to special benefits for military members serving outside the United States. Many civilian accountants are unaware of deductions and allowances specific to service members and their families. MilTax consultants specialize in optimizing these benefits and tax deductions — and the free preparation and e-filing software is tailored to military life. Connect with Military OneSource 24/7 to schedule a free appointment with a MilTax consultant, or visit the Internal Revenue Service website to learn more about these benefits.
- Get face-to-face help. In addition to the tax services and support offered through MilTax, you can visit a Volunteer Income Tax Assistance office or your installation's Legal Assistance Office. Find a VITA location near you.
- Be aware of tax scams.

The IRS posts information on its website about the most common tax scams, including shady tax preparers or phishing. Or, you can check with the attorney general's office in your state.

What to know about filing for tax extensions

Filing taxes after the official deadline is common. The easiest way to get an extension is to file Form 4868, Extension of Time to File, before the tax deadline. Keep in mind: if you owe taxes, you'll be charged interest from the date the payment is due. You may also incur penalties. If you are unsure about how to file an extension, or simply want guidance, a MilTax consultant can walk you through the appropriate steps.

Automatic extensions are available for service members living outside the United States and those serving in combat zones. Get tips on filing taxes as a deployed service member.

Call Ahead. Get started on your taxes now by connecting free of charge with a MilTax consultant for military-specific information regarding your tax questions. Filing early can help you get your refund sooner.

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Email: eclemons@hrblock.com
BUYING A HOME with a VA-backed Loan

Get step-by-step instructions for buying a home through the VA home loan program.

What kind of VA-backed loan will I need to buy a home?
You’ll need a VA-backed purchase loan. You’ll go through a private lender, like a bank or mortgage company, to get this loan. VA will guarantee part of the loan against loss, which will allow your lender to give you better loan terms, like the option to pay no down payment.

How can I buy a home with a VA-backed loan?
Buying a home is a complex process, and getting a VA-backed loan is only one piece of the puzzle. Stay on track by following the steps below.

Steps to starting the process and finding a home
1. Apply for your VA-backed home loan.
   Certificate of Eligibility (COE)
   You’ll need to show your COE to your lender as proof that you qualify for the home loan benefit.
2. Look at your current finances.
   Go over your credit profile, income, expenses, and monthly budget to make sure you’re ready to buy a home. Decide how much you want to spend on a mortgage—and be sure to include closing costs in the overall price.
3. Choose a lender.
   Remember, you’ll go through a private bank, mortgage company, or credit union—not through VA—to get your loan. Lenders offer different loan interest rates and fees, so shop around for the loan that best meets your needs.
   Be prepared to pay lender fees. Many lenders charge Veterans using VA-backed home loans a 1% flat fee (sometimes called a “loan origination fee”). Lenders may also charge you additional fees. If you don’t know what a fee is for, ask the lender. In some cases, lender fees are negotiable.
4. Choose a real estate agent.
   Get recommendations for potential real estate agents online or from relatives, friends, and neighbors. Then meet with several agents to find one you like.
   Read all agreements before signing with an agent. Make sure you understand any charges, fees, and commissions as well as your rights and obligations in the buyer-agent relationship.
5. Shop for a home.
   Look at houses in your price range until you find one that works for you. When comparing homes, be sure to consider what factors are most important to you and your family. These may include factors like how far you’ll need to commute to work and the quality of local schools.

Steps to buying your home
1. Work with your agent to put together and sign a purchase agreement.
   Be sure the sales contract includes the “VA escape clause” or “VA option clause.” This provides an option to void the contract if the property doesn’t appraise for the contract price.
   Ask your real estate agent for advice on other options for voiding the contract you may want to include, such as if the property fails a home inspection. These options are called contingencies.
2. Have the house inspected and appraised.
   It is strongly recommend that you get an inspection to check for any major defects before you purchase your home. A VA-approved appraiser will also appraise the house to make sure it meets basic property condition requirements (called minimum property requirements, or MPRs), and will provide an opinion of value on the house.
   Please note that an appraisal isn’t the same as an inspection.
   If the property doesn’t appraise at a value that’s high enough to get the loan, you have a few options. You can:
   - Request a Reconsideration of Value (ROV).
   - Ask your real estate agent to provide the lender with valid sales data showing the property is worth more than its appraised price. The lender will ask the appraiser to reconsider based on this information.
   - Renegotiate the sales price. Ask the seller to lower the price to match the appraised value.
   - Pay the difference between the appraised price and the sales price. To do this, you’ll need to pay this cost at closing.
3. Review pre-closing paperwork and give your lender any other needed information.
   Your lender must give you a Closing Disclosure at least 3 business days before closing. Be sure to read it carefully. It includes loan terms, fees, closing costs, and your estimated monthly mortgage payments. Your lender may also ask you to provide more information or documents at this time.
4. Close on your new home.
   Your closing may be held at a title company, escrow office, or attorney’s office. Be prepared to sign a lot of documents—and be sure to take the time to read everything before you sign.
5. Move in.
   After closing, you’re ready to move into your new home. Congratulations!

What if I need help or more information?
Call us at 877-827-3702 to find the nearest VA regional loan center. We’re here Monday through Friday, 8:00 a.m. to 6:00 p.m. ET.
AN ESSENTIAL GUIDE TO BUILDING AN EMERGENCY FUND

Setting up a dedicated savings or emergency fund is one essential way to protect yourself, and it's one of the first steps you can take to start saving. By putting money aside—even a small amount—for these unplanned expenses, you're able to recover quicker and get back on track towards reaching your larger savings goals.

What is an emergency fund?

An emergency fund is a cash reserve that's specifically set aside for unplanned expenses or financial emergencies. Some common examples include car repairs, home repairs, medical bills, or a loss of income.

**Why do I need it?**

Without savings, a financial shock—even minor—could set you back, and if it turns into debt, it can potentially have a lasting impact. Research suggests that individuals who struggle to recover from a financial shock have less savings to help protect against a future emergency. They may rely on credit cards or loans, which can lead to debt that's generally harder to pay off. They may also pull from other savings, like retirement funds, to cover these costs.

**How much do I need it in?**

The amount you need to have in an emergency savings fund depends on your situation. Think about the most common kind of unexpected expenses you've had in the past and how much they cost. This may help you set a goal for how much you want to have set aside.

If you're living paycheck to paycheck or don't get paid the same amount each week or month, putting any money aside can feel difficult. But, even a small amount can provide some financial security.

**How do I build it?**

There are different strategies to get your savings started. These strategies cover a range of situations, including if you have a limited ability to save or if your pay tends to fluctuate. It may be that you could use all of these strategies, but if you have a limited ability to save, managing your cash flow or putting away a portion of your tax refund are the easiest ways to get started.

**Strategy: Create a savings habit**

Building a savings of any size is easier when you're able to consistently put money away. It's one of the fastest ways to see it grow. If you're not in a regular practice of saving, there are a few key principles to creating and sticking to a savings habit:

- **Set a goal.** Having a specific goal for your savings can help you stay motivated. Establishing your emergency fund may be that achievable goal that helps you stay on track, especially when you're initially getting started. Use your savings planning tool to calculate how long it'll take you to reach your goal, based on how much and how often you're able to put money away.

- **Create a system for making consistent contributions.** There are a number of different ways to save, and as you'll read below, setting up automatic recurring transfers is often one of the easiest. It may also be that you put a specific amount of cash aside each day, week, or payday period. Aim to make it a specific amount, and if you can occasionally afford to do more, you'll watch your savings grow even faster.

- **Regularly monitor your progress.** Find a way to regularly check your savings. Whether it's an automatic notification of your account balance or writing down a running total of your contributions, finding a way to watch your progress can offer gratification and encouragement to keep going.

- **Celebrate your successes.** If you're sticking with your savings habit, don't miss the opportunity to recognize what you've accomplished. Find a few ways that you can treat yourself, and if you've reached your goal, set your next one.

**Strategy: Take advantage of one-time opportunities to save**

There may also be certain times during the year when you get an influx of money. For many Americans, a tax refund can be one of the largest checks they receive all year. There may be other times of the year, like a holiday or birthday, that you receive a cash gift.

While it's tempting to spend it, saving all or a portion of that money could help you quickly set up your emergency fund.

**Strategy: Make your saving automatic**

Saving automatically is one of the easiest ways to make your savings consistent so you start to see it build over time. One common way to do this is to set up recurring transfers through your bank or credit union so money is moved automatically from your checking account to your savings account. You get to decide how much and how often, but once you have it set up, you'll be making consistent contributions to your savings.

It's a good idea to be mindful of your balances, however, so you don't incur overdraft fees if there's not enough money in your checking account at the time of the automatic transaction. To help you stay mindful, consider setting up automatic notifications or calendar reminders to check your balance.

Who is this helpful for? Anyone, but particularly those with consistent income. Again, you can determine how much and how often to have money transferred between accounts, but you want to make sure you have money coming in. If your situation changes or your income changes, you can always adjust it.

**Strategy: Manage your cash flow**

Your cash flow is essentially the timing of when your money is coming in (your income) and going out (your expenses and spending). If the timing is off, you can find yourself running short at the end of the week or month, but if you're actively tracking it, you'll start to see opportunities to adjust your spending and savings.

For example, you may be able to work with your creditors (like your landlord, utility companies, or credit card companies) to adjust the due dates for your bills, or you can use the weeks when you have more money available to move a little extra into savings.

**Strategy: Save through work**

Another way to save automatically is through your employer. In addition to employer-based contributions for retirement, you may have an option to split your paycheck between your checking and savings accounts. If you receive your paycheck through direct deposit, check with your employer to see if it's possible to divide it between two accounts. If you're tempted to spend your paycheck when you get it, this is an easy way to put money aside without having to think twice.

**Where should I keep it?**

Where you put your emergency fund depends on your situation. You want to make sure this fund is safe, accessible, and in a place where you're not tempted to spend it on non-emergencies.

Here are a few options for where to put your emergency savings, and you can choose the one that makes the most sense for you:

- **Bank or credit union account** — If you have an account with a bank or credit union—generally considered one of the safest places to put your money—it might make sense to have a dedicated account where you can keep and maintain these funds.
- **Prepaid card** — A prepaid card is a card that you can load money onto. It's not connected with a bank or credit union, and you can only spend the amount that's on your card.
- **Cash** — Another option is keeping money on hand for emergencies, either in your home or with a trusted family member or friend. Keep in mind that cash can be stolen, lost, or destroyed.

**When should I use it?**

Set some guidelines for yourself on what constitutes an emergency or unplanned expense. Not every unexpected expense is a dire emergency but try to stay consistent. Even if it's not a trip to the emergency room, you may need it to pay for a medical bill that wasn't covered by insurance.

Having a reserve fund for financial shocks can help you avoid relying on other forms of credit or loans that can turn into debt. If you use a credit card or take out a loan to pay for these expenses, your one-time emergency expense may grow significantly larger than your original bill because of interest and fees.

However, don't be afraid to use it if you need it.
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