

Potential Income Changes:*

Family Separation Allowance (FSA): FSA may be payable at the rate of \$250 per month (pro-rated to \$8.33 per day for periods less than a month)

Hostile Fire/Imminent Danger Pay: HF/IDP may be payable at the rate of \$225 per month (prorated to \$7.50 per day for periods less than a month)

Combat Zone Tax Exclusion (CZTE)

Promotion

Reenlistment bonus

Loss of spousal income

Reserve members may find military pay differs significantly from their civilian pay

Potential Expense Changes:*

Meal deduction in deployment locations

Extra child care costs

Extra pet boarding

Maintenance and repair expenses

Income taxes

*Check your Leave and Earnings Statement (LES) to verify pay adjustments are accurately reflected.

- Review the "Combat Zone Tax Exclusion" handout to learn more about common tax benefits and special IRS rules that may apply to your deployment.
- Review your tax situation and act accordingly.
 - For Soldiers who will be deployed out of the country, extensions of tax filing deadlines may apply. Some extensions are automatic, while some have to be requested of the IRS. The lengths of time involved vary.
 - Consider providing tax documentation to your Power of Attorney (POA), if applicable.
 - For more information, visit www.irs.gov and search IRS Publication 3, the Armed Forces' Tax Guide (<https://www.irs.gov/publications/p3>). This publication covers Service members' tax benefits and responsibilities in detail.

- Consider setting up automatic bill payments to ensure you keep up with your financial obligations and



- Evaluate your life insurance policies before you deploy to ensure you have enough coverage, the right type of coverage, and correct beneficiaries.

A simple method to calculate your life insurance needs is to use the acronym LIFE. Start by totaling all four categories listed below.

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

Common life insurance policies include:

- Term insurance - provides a stated amount of coverage over specific period of time and is designed to provide a large amount of coverage for the least cost.
 - Permanent insurance - provides coverage designed to last for your entire life and can build cash value. There are several permanent life insurance options offered such as universal life, whole life, variable life and even variable universal life insurance. These policies may have a surrender period and may be subject to fees and penalties if canceled during a specified time.
- Check your SGLI coverage, which is automatically \$400,000 unless another election is made.
- Review and update your beneficiaries on SGLI and private policies.
- To update the beneficiaries of your SGLI, access the SGLI Online Enrollment System (SOES), by signing into the milconnect site and searching the "Benefits" tab.
 - Carefully review any additional life insurance coverages for potential disqualifying events, like war clauses.
- Visit your installation's legal office to review and update your estate planning documents, such as will, power of attorney and advance directive. If applicable, designate one or more guardians for your dependent(s).
- Notify your health, auto, and property insurance providers of your deployment and make changes where appropriate. Reserve members receive TRICARE coverage for themselves and their families when reporting for active duty. Coverage may begin sooner if the orders have a delayed reporting date. Refer to the "TRICARE Overview" handout for more information about health insurance.
- Review the "Survivor Benefits Overview" handout to learn more about policies and programs available for survivors.



SAVING AND INVESTING

- Create a plan to establish an emergency fund to cover three to six months of living expenses.
- Consider taking advantage of the DoD's Savings Deposit Program (SDP).
- The SDP offers a great opportunity to increase returns on cash savings. The program guarantees an annual return of 10%, compounded quarterly, up to \$10,000 in savings. To learn more about the Savings Deposit Program visit the DFAS website at: www.dfas.mil/militarymembers/payentitlements/sdp.html.
- Review the "Thrift Savings Plan (TSP)" handout for more information about investing options and contribution limits while deployed. You may contribute up to \$19,000 in your TSP in 2019 if you are under the age of 50. This limit may increase to \$56,000 in 2019, if you are deployed to a combat zone.
- Consider making Roth contributions to your TSP while deployed, so both contributions and growth can be tax-free for eligible withdrawals at retirement. Special note: Excess contributions made while deployed count toward the Annual Addition Limit (contributions above \$19,000 automatically go into the traditional TSP). This limit also includes Agency contributions (automatic and matching contributions made, as part of the Blended Retirement System, starting in 2018).

