

# MONEY AND THE MOVE

---

## The Importance of Financial Planning for Transfers

## Entitlements

## Overseas Allowances

## Understanding Expenses Involved with a PCS Move

## Other Overseas Concerns

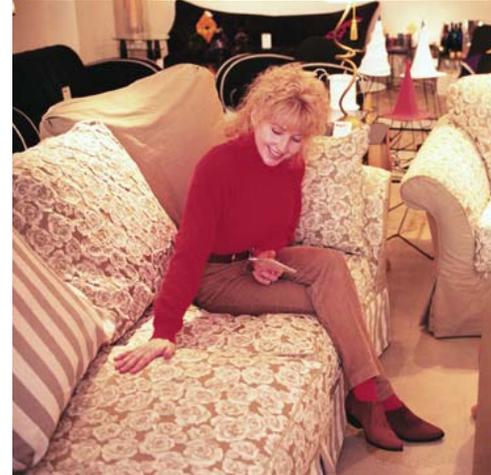
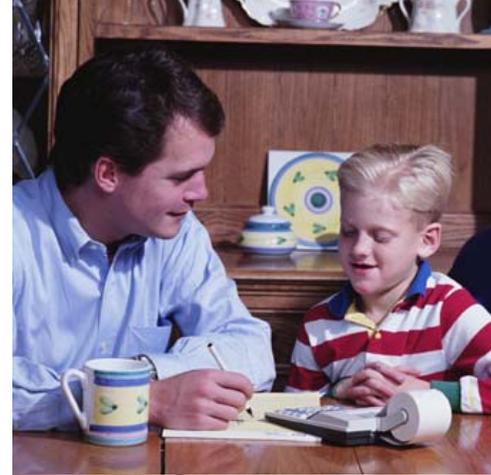
## Developing a PCS Financial Plan

## Cost Cutting Financial Tips for Relocation

## You and Your Move

## Summary

## Websites:



# MONEY AND THE MOVE

A PCS move can be one of the most exciting adventures of your career, as well as one of the best benefits. However, a PCS can also become a financial disaster that can take months to recover from if not properly prepared for. Planning is the key to a financially healthy move. To help make your move as smooth as possible we will cover five key areas of concern:

- The Importance of Financial Planning for Transfers
- Entitlements
- Understanding Expenses Involved with a PCS Move
- Developing a PCS Financial Plan
- Cost Cutting Financial Tips for Relocation

FINANCIAL PLANNING WORKSHEET FOR A PCS MOVE		
	Estimated Date Payable	Amount
<b>POSSIBLE SOURCES OF INCOME:</b>		
1. Member's Travel Allowance (Prepayment)	_____	_____
2. Member's Per Diem (Prepayment)	_____	_____
3. Member's Advance Pay (Prepayment)	_____	_____
4. Dependent's Per Diem (Prepayment)	_____	_____
5. Relocation Allowance (Prepayment)	_____	_____
6. Temporary Lodging Expense (Prepayment)	_____	_____
7. Refund of Security Deposit (Present Quarters)	_____	_____
8. Refund of Utility Deposits (Present Quarters)	_____	_____
9. Accumulated Pay/Write In/Travel (Postpayment)	_____	_____
10. Profit from selling articles you do not plan to transfer	_____	_____
11. Overseas Allowance (OHA, MHA, TLA)	_____	_____
<b>TOTAL SOURCE OF INCOME(A)</b>	_____	_____
<b>POSSIBLE EXPENSES:</b>		
1. Liquidation of Advance Pay	_____	_____
2. Liquidation of Advance Travel	_____	_____
3. Remove and dismantle TV, VCR, etc.	_____	_____
4. Disconnect and remove appliances including gas hot water, cesspool, septic, electrical, plumbing, carpentry, paint, etc. (all on cost)	_____	_____
5. Disconnect and remove window air conditioners	_____	_____
6. Cost to clean unoccupied quarters and final lawn maintenance	_____	_____
7. Shipping gas (Cost for crabs, transportation, board, and pickup after loading)	_____	_____
8. Dismantling outdoor equipment and reassembly cost	_____	_____
9. Shipping boat or outboard motor	_____	_____
10. Shipping, loading, or carrying outside on motorcycle	_____	_____
11. Shipping gear or other items not authorized for government expense	_____	_____
12. Supplemental insurance for shipping or storing your personal property	_____	_____
13. Excess weight surcharge and weight allowance	_____	_____
14. Preparation of car for trip	_____	_____
15. Reserve for vehicle breakdown enroute	_____	_____

## Top The Importance of Financial Planning for Transfers

### Planning is the key

Planning is the key to a financially successful relocation. There are many areas of your finances that may need a check-up, and perhaps some changes so that you will have a smooth move. Think about the following:

- What financial obligations must you clear before departing this duty station and community?
- What financial obligations will you incur during transition from this duty station to the next? Which costs are reimbursed? Which are not?
- What financial obligations will be incurred at the new duty station?
- Do you have money set aside to pay for any expenses you must incur prior to reimbursement or that will not be reimbursed?
- How will you handle the transfer of bank accounts and changes in cash flow

- What are the considerations surrounding spouse employment? Will there be a loss of income?
- Do you have (or will you get) enough money to cover the move? Where can you get help before, during and after the move?
- Moving is one of the most stressful events in a person's life. Are you and your family prepared for the stress associated with relocation? Have you talked about it?

## Transfer Planning Worksheets

The above questions show some of the major considerations that you and your family need to think about, talk about, and determine how to deal with. To help you plan, we have provided you with a link to your financial worksheets to help you organize your thoughts and finances when it comes to your move.

<http://www.persnet.navy.mil/pers01ff/FPWver5.10cJan2004.xls> Or, NAVPERS 15608 (CFS Student Manual)

The first worksheet we will look at is “Financial Planning Worksheet for a PCS Move.” There are two sections on this form; the first lists possible sources of income. Very shortly we will cover some of the PCS entitlements that you may have coming from the military.

**ESTIMATED TRAVEL COSTS AND REIMBURSEMENTS**

Completing the following worksheet will help you find your travel budget.

1. TRAVEL COSTS: These cost estimating tables are designed to help you estimate the costs of travel. Use the American Automobile Association's, your personal files, family size, your plans for food, travel, and the likely estimate of distance in the costs you must pay.

1-A. Driving Costs  
 Mileage allowance (average of \$200 per 100 miles for fuel, oil and maintenance)  
 Total miles you plan to travel (Mileage by \$200 for every 100 miles): \_\_\_\_\_  
 Expected cost: \$ \_\_\_\_\_  
 Toll charges expected: \$ \_\_\_\_\_

Total 1-A: Add mileage and tolls: \_\_\_\_\_

1-B. Overnight Accommodations  
 Cost of room, breakfast and taxes per night:  
 Single occupancy: \$50.00  
 Double occupancy: \$80.00  
 Each additional person in room: \$25.00 each  
 Expected daily room cost: \$ \_\_\_\_\_

Number of days of travel (based on travel of 350 miles a day): \_\_\_\_\_  
 Distance you plan to travel (This is you plan, which may include state, but not other than direct travel to the new duty station) \_\_\_\_\_ miles.  
 Divide total number of miles by 350 miles per day = \_\_\_\_\_ total days.

Total 1-B: Multiply daily room cost times number of days of travel: \_\_\_\_\_

1-C. Road and Other Costs  
 Food (\$25 per person per day)  
 Number of people: \_\_\_\_\_  
 Number of days: \_\_\_\_\_  
 Multiply number of family members by days by \$25.00  
 Cost of other items: \$ \_\_\_\_\_

Total 1-C: Cost of food and other items: \_\_\_\_\_

1-D. Estimated Costs/While Driving  
 1-D. Rental: \$ \_\_\_\_\_  
 1-E. Overnight Accommodations: \$ \_\_\_\_\_  
 1-C. Food and Other Items: \$ \_\_\_\_\_

1. TOTAL ESTIMATED COSTS (1-A + 1-B + 1-C): \_\_\_\_\_

The second section deals with possible expenses. As you can see, this list of thirty-one possible expenses gets very

specific—and yet it may not cover everything in your personal situation. This form provides an excellent starting point from which you and your family can begin to plan the expenses associated with relocation. When you subtract the expenses in the second section from the income expected in the first section, you will have an idea of whether or not you will need additional funds of your own to help pay for the move. It is not

unusual for a member to have to pay up to 30% of the cost of the move without reimbursement.

**FINANCIAL PLANNING WORKSHEET FOR A PCS MOVE**

POSSIBLE SOURCES OF INCOME:	Estimated Date Payable	Amount
1. Member's Travel Allowance (Prepayment)	_____	_____
2. Member's Per Diem (Prepayment)	_____	_____
3. Member's Advance Pay (Prepayment)	_____	_____
4. Dependent Per Diem (Prepayment)	_____	_____
5. Relocation Allowance (Prepayment)	_____	_____
6. Temporary Lodging Expense (Prepayment)	_____	_____
7. Return Security Deposit (Present Quarters)	_____	_____
8. Return of Utility Deposit (Present Quarters)	_____	_____
9. Accumulated Pay/Write In Travel (Prepayment)	_____	_____
10. Profit from selling articles you do not plan to transfer	_____	_____
11. Overseas Allowance (IRA, MHA, TUA)	_____	_____
<b>TOTAL SOURCE OF INCOME (A)</b>	_____	_____

POSSIBLE PENIES:	Estimated Date Payable	Amount
1. Unutilized Advance Pay	_____	_____
2. Unutilized Advance Travel	_____	_____
3. Remove and dismantle TV/antenna	_____	_____
4. Decontamination expenses (including gas laboratory stay services electrical plumbing, carpentry Refurbishment)	_____	_____
5. Disconnection and removal of window/door frames	_____	_____
6. Cost of unoccupied quarters and final lawn maintenance	_____	_____
7. Shipping per lot for crates, transportation, board and pickup after loading	_____	_____
8. Dismantling outdoor equipment and reassembly cost	_____	_____
9. Shipping of boat or outdoor motor	_____	_____
10. Shipping, towing, or carrying a vehicle on a trailer	_____	_____
11. Shipping any other items not authorized government allowance	_____	_____
12. Supplemental insurance for shipping or storing your personal property	_____	_____
13. Excess weight allowance for shipping or storing your personal property	_____	_____
14. Preparation of bills	_____	_____
15. Remove household break-down items	_____	_____

There are several excellent websites specifically designed to help you plan your move and estimate your income and expenses. In particular, be sure to check out [www.militaryacclimate.com](http://www.militaryacclimate.com) and [www.housing.navy.mil](http://www.housing.navy.mil) for the PCSHouse website. Most travel allowance rates can be found at [www.dtic.mil/perdiem](http://www.dtic.mil/perdiem).

## [Top](#) Entitlements

Remember to maintain records and keep receipts during the move in order to file a claim for reimbursement at Personnel Support Detachment (PSD). Note that entitlements to any pay or allowance is based on meeting specific eligibility requirements. Check with your disbursing office for more details on pay and entitlements, and to determine your specific entitlements in conjunction with your PCS move.

- **Advance Pay:** Advance basic pay can be drawn up to 30 days prior to a move or 60 days after arrival (limits can be expanded when justified for extenuating circumstances.) Up to three months worth of basic pay (less deductions) can be drawn in advance with PCS orders, and must be approved by the CO. Repayment is in equal installments over 12 months, or 24 months with CO approval. If you are going to take advance pay, be sure to budget for the repayment. Have a budget review by your CFS, and consider the impact of the repayment over the next 12 to 24 months.
- **Advance Housing Allowance (BAH):** Advance BAH may be issued to cover the expenses of renting a new home or apartment. It must be requested for actual expenses, not to exceed an amount equal to three months BAH. A copy of the rental agreement or receipts or bills for one month's rent required. Repayment is normally over 12 months. If you are going to take advance-housing allowance, be sure to budget for the repayment. Single service members living in the barracks may not be entitled to this.
- **Per Diem Allowance:** Food and lodging costs are reimbursed when making a PCS move. Per Diem is paid at a daily rate for you and your family members. The current (2003) rates are \$85.00 for the member, \$63.75 for dependents 12 years old and older, and \$42.50 for dependents under 12 years of age. Auto travel at a rate of 350 miles per day (not to exceed the official authorized distance) is used to determine how many days Per Diem will be paid. Per Diem may be drawn up to 10 days in advance of the move or upon arrival. Check with PSD for current rates.
- **Monetary Allowance in Lieu of Transportation (MALT):** Members receive MALT when they drive to a new assignment. Computed using federal tables of the mileage between the old and new duty stations. Also paid to those going overseas if they drive from their stateside location to the port of embarkation for transcontinental plane or ship, or from the port of debarkation to the new duty station. MALT may be paid up to 10 days in advance. Check with PSD for current rates.

- **Dislocation Allowance (DLA):** Members with dependents are entitled to DLA to offset some of the hidden cost of closing one home and setting up another. These costs can include rent deposits, utility hookups, etc. The amount varies by pay grade, and can be drawn up to ten days in advance of the transfer date, or upon arrival at the new duty station. Single or unaccompanied members may draw DLA at 'without dependent' rate if moving into non-government quarters. DLA does not require repayment. Check with PSD for current rates.
- **Temporary Lodging Expense Allowance (TLE):** TLE is paid for PCS transfers in the United States. TLE provides members up to \$180 per day for ten days to partially offset lodging and meal expenses when a member and/or dependents need to occupy temporary lodging in CONUS in connection with a PCS. Personnel going overseas are entitled to TLE for five days prior to departure to the overseas duty station. Check with PSD for amounts, which differ in each area.

[Top](#)

## Overseas Allowances

- **Overseas Housing Allowance (OHA and MIHA):** The Overseas Housing Allowance, or OHA, is paid to service members who live in private housing at their overseas duty station. OHA helps offset housing costs, and is made up of three components: rent, utility and recurring maintenance expenses, and move-in housing allowance (MIHA).
- MIHA is comprised of MIHA Miscellaneous — an up front, lump sum payment covering average move-in costs; MIHA Rent — acquisition fees, dollar for dollar reimbursement; and MIHA Security — High crime/threat areas only as determined by the Department of State.
- Upon arriving at duty stations members should check with the local housing office (or the local commander if there is no housing office) to see what the procedures are for the area. Once housing has been found, members should take a copy of the lease to the appropriate official and fill out form DD 2367. Rates can be found at [www.dtic.mil/perdiem](http://www.dtic.mil/perdiem). OHA is available as an advance, requested via the commanding officer, with repayment from 12 to 24 months.
- **Temporary Lodging Allowance (TLA):** To help offset the cost of temporary housing and meals for new arrivals overseas. The amount varies. TLA is paid in 10-day increments (15 days when determined to be appropriate by the TLA approving authority) and usually has a 60-day limit for those arriving, and a 10-day limit for those departing (ten days for people living on the economy, six days for people living in government quarters.)
- **Cost of Living Allowance (COLA):** Paid to members stationed in high-cost areas overseas and certain CONUS locations. Check with PSD to verify eligibility and amounts.

- All of the above allowances are subject to change. They are directly deposited into the member's account; therefore, the member must make a determination on whether the funds will be readily accessible to meet needs. Always consult with PSD for up-to-date information and amounts.

## [Top](#) **Understanding Expenses Involved with a PCS Move**

Focus on some of the common expenses you may encounter before, during and after your PCS.

### **Prior to Transfer**

Some of the expenses you may encounter prior to transfer include:

- **House Hunting Trip Expenses:** The Navy can grant you house-hunting leave but does not pay for the travel and lodging costs.
- **Moving Out Expenses:** Includes selling costs, dismantling major appliances, cleaning, lawn maintenance, etc.
- **Storage Costs:** Expenses associated with storing items that will not be shipped —beyond what the Navy covers.
- **Household Goods Weight Limitations:** Check with your Personal Property Office. You may have to pay for items shipped in excess of the Navy's weight limitations.
- **Insurance:** You may want to get additional insurance on your household goods to cover potential losses beyond what the Navy would reimburse you for. Check with your current insurer for rates.
- **Lodging/Food:** Costs at old location once household goods are shipped.
- **Creditor and Credit Report:** Be sure to get a copy of your credit report from all three credit bureaus prior to your transfer. Also, notify all creditors of the upcoming move (especially if OCONUS) in order to avoid missed payments that can cause a fee or increase in interest rates.
- **Miscellaneous Expenses:** Money spent on trips, souvenirs, eating out with friends, and/or parties prior to leaving.



- **Loss of Spouse's Income — CONUS:** Will there be a loss of spouse's income until employment is found at the new location? This is very often the single biggest negative financial impact (especially if Advance Pay is taken). Be sure to use the FFSC Spouse Employment program to help with your job search.
- **Car Preparation:** If you will be driving your car long distances you may need to do some maintenance. It is much cheaper to have any major work done BEFORE you leave, so you won't end up broken down on the side of the road. There are several special considerations for your Privately Owned Vehicle (POV) if you are transferring overseas:
  - Expense of delivery to point of debarkation.
  - Shipment of second vehicle overseas (overseas duty only pays for the shipment of one vehicle at government expense.)
  - Purchase of second vehicle overseas.
- **Transportation and Storage of Vehicles:** For those storing Personally Owned Vehicles (POV's) rather than moving them overseas, the government will pay storage fees up front. Also, the government will ship POV's between stateside duty stations as long as it doesn't cost any more than it would for the member to drive it there.

[Top](#)

## Other Overseas Concerns

### Overseas Screening:

- There may be some costs associated the medical screening for dependents:
  - **Medical:** Check-up and shots for dependents — will you have to pay a deductible?
  - **Dental:** Check-ups for dependents, wisdom teeth, extraction, braces, etc. Will you have to pay any of the cost?
- Cost of shipping a pet overseas.
- Passports and Visas.
- **Loss of Spouse's Income — OCONUS:** A spouse can easily expect a minimum of 90 days of unemployment overseas between quitting prior to the move, thirty days leave and transit, and the job search at the new location. Also, it may be difficult to obtain the same level of employment in a foreign country — the new job may be at entry-level wage or the spouse may not be allowed to work in their chosen

profession overseas. In some areas the only spousal jobs available are through NEX or MWR, which may be few in number and low paying. Utilize the FFSC Spouse Employment program where available.

**In Transit:** Try to make some estimate of the costs you may encounter while in transit.

- **Driving Costs via POV:** Calculate at \$8.00 per 100 miles.
- Overnight accommodations: Can average \$60.00 to \$90.00 or higher depending on family size. Plan on one night's stay for every 350 miles.
- **Food and miscellaneous expenses:** Figure number of people x number of days x \$25.00.
- **Emergency fund:** What will you need to have in the bank if an emergency should arise during the move? How accessible is the money? We'll cover more about this subject later.

**After Reporting to your New Duty Station:** Some of the expenses you may encounter at this stage of the relocation include:

- Temporary Lodging/Food/Laundromat Costs
- Utility/Telephone Deposits
- Rental Deposits/House Purchase Closing Costs
- Extra Long Distance Calls
- Cleaning Supplies/Restocking Food Supplies
- Possible Increased Insurance Costs
- Car Registration/Licenses
- Possible Increased Commuting Distance/Child Care Costs
- New Clothes/Linens if Climate Change
- Medical Expenses for Dependents if Not Enrolled in Tricare or Not Using Military Healthcare Facilities

[Top](#)

## Developing a PCS Financial Plan

**The Financial Planning Worksheet:** Now that we have looked at some of the income you will need, new expenses you may incur, and the entitlements and allowances provided by the Navy, it is time to put it all together into one coherent plan that you can use as a guide. This will ensure that you not only survive this move financially, but also thrive in your new location.

**Actual and Projected:** If you currently have a spending plan (or budget) in place, now is a great time to review it, refine it, and project for the upcoming move. If you don't have a budget in place, what a perfect time to begin one!

**Tracking Income and Expenses:** In preparation for your move, keep track of your income and expenses for at least two months prior to the move and two months after. People who do not keep track of their expenses with a written spending plan often cannot account for 10% of their income. Chances are this is money you could use during your move.

**Analyze your spending habits for areas to save:** Decrease your living expenses as much as possible if you have a shortfall, are trying to build up emergency savings, or are reaching for other financial goals. If you build up cash now you will be able to tolerate a possible period of difficult cash flow ahead due to unknown expenses, loss of a spouse's job, relocating to an expensive area, etc. Try to pay as many expenses as you can out of your current cash flow rather than borrowing money. Avoid debt as much as possible during transition, and even when not moving keep it to a low level (no more than 20% of your net income.)

**Build up an emergency savings account:** If you don't have an emergency savings fund you will need to make building one a top priority. Emergency savings provides you with a safety net should an emergency occur. You will not need to incur additional debt or use money earmarked for other purposes if you have emergency savings set aside. Besides having money available should it be needed, an adequate emergency fund will provide you and your family with tremendous peace of mind. As a guideline, try to have at least three months of expenses set aside in an emergency savings fund.

[Top](#)

## Cost Cutting Financial Tips for Relocation

### You and Your Money

- **Advance Pay:** Do not take Advance Pay unless absolutely necessary — you're spending money you haven't earned yet and lowering your income before you know what your expenses are. You can always take it at your next command if it is absolutely needed.
- **Military Facilities:** Use military temporary



lodging facilities whenever possible. Always ask for a military discount when using civilian lodging facilities.

- **Change of Address:** Notify all creditors, insurance companies, automatic investment programs, and the IRS of your change of address as soon as possible. Arrange to have your mail forwarded.
- **National Providers:** Choose national providers whenever possible (long distance phone, ISP, etc.) so you won't need to find new services when you move.
- **Wills:** Visit NLSO at your new location and have your "will" reviewed and updated to conform to the new state's law.
- **Insurance:** Comparison shop for insurance policies, particularly your auto coverage, with at least three local providers. Also, check with the Personal Property Office as to insurance on your household goods while they are in transit. If you are not fully covered, obtain supplemental insurance as necessary. If you are transferring overseas, ask your insurance company to provide you with a letter stating that you have been claim-free for 1, 2 or 3 years. This may get you a 10, 20 or even 30% rate decrease.
- **Letters of Reference:** Obtain Letters of Reference from current utility/cable/telephone companies to reduce deposit costs at new location.
- **Pre-Qualification:** If you are going to be buying a home at your new duty station, pre-qualify at your bank or credit union for a home loan. Attend a class on Home Buying at your local FFSC, Housing Office or a civilian location. If you are buying a home, *do not* take on additional debt (car loan, advance pay, etc.).
- **Financial Accounts:** Do not close your financial accounts (checking and saving) until you have a new one at your new location, and any allotments and/or electronic fund transfers have been successfully shifted to the new account. Better yet, choose a financial institution that will move with you so you won't have to keep closing and opening accounts.
- **Taxes:** Save all documentation and receipts relating to the move in case you have some unreimbursable moving expenses — they may be deductible on your income tax forms. Also, if you are moving overseas, be aware that there are unique tax considerations for any income earned in a foreign country. Consult with a tax attorney, or other tax professional.
- **Dependent Healthcare:** Determine how you will provide healthcare to your dependents at your new duty station. If you are currently enrolled in Tricare Prime, stay enrolled at the old duty station until you arrive at your new duty station. If you are transferring overseas, investigate TRICARE Europe or TRICARE Pacific ([www.tricare.osd.mil](http://www.tricare.osd.mil)). Contact the Tricare Service Center in your new

location to transfer enrollment. If you are not enrolled in Tricare Prime, what healthcare facilities are available at the new duty station? If you have a dependent with special healthcare needs, contact the Exceptional Family Member Program.

[Top](#)

## You and Your Move

- **Know What You Can Ship:** Know what can and cannot be shipped at government expense (i.e., alcohol, glass jars, firearms, etc.). Do not purchase these items in quantity before you move. Items not shipped by the government have to be packed, shipped and insured at your own expense.
- **Yard Sales:** Have a yard sale to get rid of items you no longer want or need. If it hasn't been used in a year get rid of it. This will help you to stay below your weight limit on your household goods.
- **Inventory:** Take an inventory of all of your household goods. For high dollar items be sure to list model number, serial number, and any other important identification information. Borrow or rent a video camera and take a video inventory. Be sure to carry any inventory you make with you — do not pack it with your household goods.
- **Sponsor:** Use your sponsor — he or she can answer many questions on neighborhoods, schools, entitlements, etc.
- **FFSC Relocation Program:** Visit your local Fleet and Family Support Center Relocation Assistance Program for more information. They can order “Welcome Aboard” packages for you from your new duty station, as well as provide you with SITES booklets. These booklets provide a wide range of information on your new duty station and the local area, including information on education, employment, housing and base facilities. You can download SITES information yourself at [www.dmdc.osd.mil/sites/](http://www.dmdc.osd.mil/sites/). Most installations also offer a “Smooth Move” program, which you will find extremely helpful.

[Top](#)

## Summary

The key to a successful move is found in good planning. Consider all the expenses of a move, take a look at your current spending plan, make some projections based on anticipated expenses, and be prepared for the best!

There are many people standing by to help you with your up-coming move. If you need assistance, see:

- Your Command Financial Specialist



- Fleet and Family Support Center Relocation Assistance Program
- Housing Office
- Personal Property Shipping Office
- Navy Legal Services Office
- Personnel Support Detachments or your Disbursing Clerk
- The Navy-Marine Corps Relief Society

[Top](#)

### Websites:

- [www.dfas.mil](http://www.dfas.mil)  
(Defense Finance and Accounting Service)
- [www.bupers.navy.mil](http://www.bupers.navy.mil)  
(Bureau of Navy Personnel)
- [www.dtic.mil/perdiem/](http://www.dtic.mil/perdiem/)(Defense  
Technical Information Center Per Diem Committee)
- [www.dmdc.osd.mil](http://www.dmdc.osd.mil)  
(SITES information)
- [www.lifelines2000.org](http://www.lifelines2000.org)  
(Lifelines Services Network)
- [www.militaryacclimate.com](http://www.militaryacclimate.com)  
(Financial Relocation Counseling Tool)
- [www.housing.navy.mil](http://www.housing.navy.mil)  
(PCSHouse)
- [www.tricare.osd.mil](http://www.tricare.osd.mil)  
(Tricare Website) A PCS move can be disruptive and expensive, but it can also be exciting, challenging and rewarding. Plan ahead, use all your resources, and enjoy your move.