

LEADERSHIP TRAINING

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS



Taking on a leadership role in the Navy comes with many responsibilities. One of which is to ensure financial readiness in order to sustain mission readiness. This checklist can help you as a leader to handle the challenges that come with your role.

***Counselor:** Use this checklist and the listed handouts as a solution-focused tool to help Sailors, in a class setting or one-on-one conversation, set goals, establish priorities, and develop an action plan. Space is provided to add local resources and reminders about additional topics. If you need additional information and referrals, contact your local Fleet and Family Support Center (FFSC) staff.*

HANDOUTS

- ✓ The Need for Personal Financial Management
- ✓ Financial Warning Signs
- ✓ Understanding Credit
- ✓ Military Consumer Protection
- ✓ Sources of Help for Military Consumers
- ✓ Military Retirement



BASIC FINANCE

- Be aware of the unique financial issues affecting the military lifestyle. Review the "Need for Personal Financial Management" handout for more information.

***Counselor:** Remind leaders of the struggles they may have had coming into the military. It's important to understand the financial challenges unique to the military such as deployments, frequent moves, etc. The key is to realize the significance of good money management. Strong habits will have a positive impact on personal relationships, stress levels and mission readiness.*

- Know the resources available to assist your Sailor. Help is available at the Fleet and Family Support Center, your Command Financial Specialists (CFS), and through the Navy-Marine Corps Relief Society (NMCRS).

***Counselor:** Sailors who are struggling and need specific help should come to the Fleet and Family Support Center. Let them know they can speak to a Financial Counselor and get on track. Additionally, they can seek help at the Navy-Marine Corps Relief Society (NMCRS). This is a nonprofit organization providing interest-free loans and educational assistance to members of the Navy, eligible family members and survivors.*

- Know your role and responsibilities as a leader in the Navy. Review the "Financial Warning Signs" handout for more information on financial risk factors.

***Counselor:** Remind leaders it is their duty as a leader to help identify the warning signs of financial trouble. Encourage them to use this checklist and the available resources to get informed and manage situations early. It is critical to catch problems before they begin to impact family and work relationships, mental well-being and mission readiness.*

- Learn how to identify Sailors who might be experiencing financial hardships.

***Counselor:** Communication is key. Encourage the counselees to foster a healthy culture of communication and the importance of financial readiness. Try to identify possible warning signs of financial problems sooner rather than later. However, be sure to remind counselees to maintain confidentiality.*

- Understand that Sailors will be required to complete financial training at various career milestones and life events. These events include: Initial Entry Training, First Duty Station, Subsequent Duty Station (for members in paygrades E-4 or below and O-3 or below), Promotion (for members in paygrades E-5 or below and O-4 or below), Vesting in TSP, Major Life Event (Marriage, Divorce, First Child, Disabling Sickness or Condition), Leadership Training, Entitlement to Continuation Pay, Pre- and Post-Deployment, and Transition.
- Check each of your three major credit reports for free at www.annualcreditreport.com. Sailors can request free credit monitoring services from the nationwide credit reporting agencies: Equifax, Experian, and TransUnion. Review the "Understanding Credit" handout for more information.

Counselor: Remind (or inform) leaders about the new security clearance review process. Historically, individuals were up for periodic reviews every five to 10 years depending on the type of clearance. Now, individuals are under continuous monitoring which automatically pulls financial data. Issues that are not dealt with can result in a loss of clearance. As a leader, it is critical to identify and provide help to Sailors in need before there is a risk to the mission by losing a clearance.

Additional notes: _____



CONSUMER PROTECTIONS

- Review the handout "Military Consumer Protection" for additional information on identity theft, the Servicemembers Civil Relief Act (SCRA), and Military Lending Act (MLA).
- Protect yourself from misleading consumer practices and know basic procedures for handling a consumer complaint or dispute. Review the "Sources of Help for Military Consumers" handout.

Additional notes: _____



PLANNING FOR THE FUTURE

- Understand the benefits of each military retirement system: Legacy "High-3" or Blended Retirement System (BRS) and the rules on Thrift Savings Plan (TSP) matching/vesting. As a leader, you may receive questions on either system.
- Review the "Military Retirement" handout accompanying this checklist for more information.

Counselor: Remind counselees the ways to succeed with each retirement system. Serving for over 20 years allows a Sailor to receive the pension under the Legacy system and BRS. In addition, with BRS, the emphasis is on saving a minimum of 5% into the TSP to receive the full matching contribution — which is free money! This money goes with Sailors when they separate if vesting requirements are met, and even if they don't serve 20 years or more. For leaders in the military, they need to ensure their team understands the basics of military pay and benefits. Additionally, leaders may be considering their own Continuation Pay options if they're in the BRS so be sure to cover that section of the handout and refer to the appropriate resources: <https://militarypay.defense.gov/blendedretirement>.

- Understand the importance of retirement planning throughout the military lifecycle. It is never too early to start planning for retirement. The sooner you begin saving, the more time your resources have to grow with the power of compound interest. This means you may be able to save less over time to reach your goals. Once you start saving, it shouldn't be a "set it and forget it" mentality. Revisit savings goals and TSP contributions regularly.
- Review TSP and withdrawal/rollover options upon reaching retirement age and/or separating from the military.
 1. Leave the TSP in place, but once you separate from service, you no longer make contributions to the account.
 2. Withdraw funds from the TSP. Taxes and penalties may apply, depending on your situation.
 3. Rollover the TSP into an Individual Retirement Account. This typically has no tax implications if the rollover is done into the proper account type (Traditional or Roth).

For more information, visit www.tsp.gov. Speak with a financial counselor at the Fleet and Family Support Center for help with your specific situation.

Additional notes: _____
