



Module 1.3

Evaluate Salary and Total Compensation



PERSONAL FINANCIAL PLANNING FOR TRANSITION

Financial Planning for your Future





Learning Objectives

- Analyze military compensation and compare to civilian compensation
- Compare Compensation Packages from two companies
- Understand the basics of health and life insurance



Cost of Living Analysis

When relocating, consider what could impact your financial plan

- Salary**
- Housing**
- Utilities**
- Taxes (including tax benefits for veterans)**
- Food**
- Child care**
- Commuting costs, clothing, entertainment, school costs, climate, health insurance**



COST OF LIVING COMPARISON



LIVES IN NC
\$28,216

MOVES TO TX
\$27,206

Home Price Decrease

\$286K

\$216K

Health Care Decrease

\$126

\$95

Energy Bill Increases

\$164

\$180



A Pay Comparison

Monthly Military Pay (Single E5 > 4 yrs)		Monthly Civilian Pay (\$26/hr)	
Base Pay	\$2238.00	Base Pay	\$3553.92
BAH	\$948.00	Fed Tax	-\$751.14
BAS	\$367.92	State Tax	-\$213.33
Fed Tax	-\$310.02	FICA	-\$414.00
State Tax	-\$32.45	SDI	-\$45.07
FICA	-\$234.00	Medical	-\$126.00
Net Pay	\$2977.47	Net Pay	\$2004.85

A Difference of \$973



Compensation Comparison

- Compare compensation packages and track future job offers.
- Include retirement plans, healthcare, insurance, and other benefits.
- Consider what you will need for both replacement income and benefits.





Benefit Package and Perks

Company A

\$45,000

Benefits Package

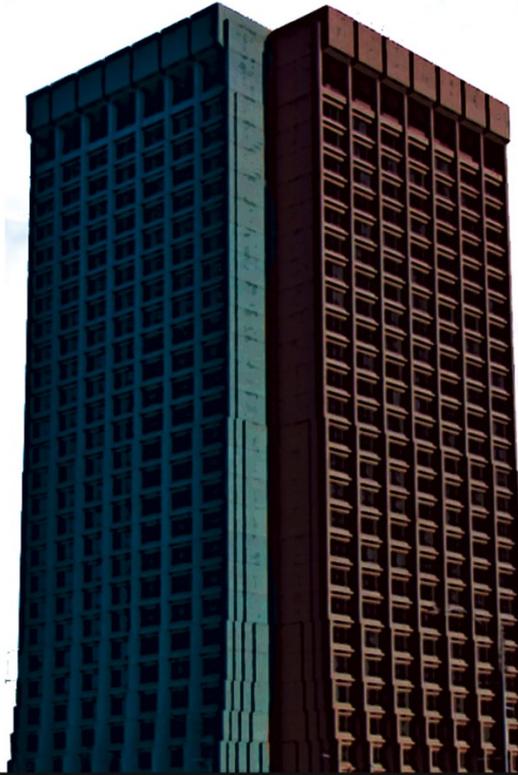
\$200 Monthly Parking
Voucher Worth \$2400

Free Annual gym
membership
worth \$720

Health Care Plan
worth \$700 Annually

Company B

\$48,000



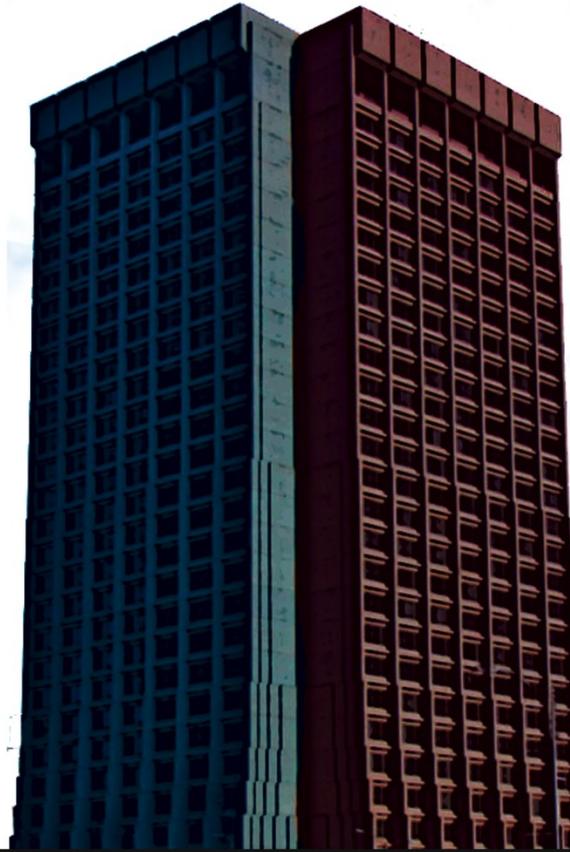
Which is the better offer?



Benefit Package and Perks

Company A

\$48,820



Company B

\$48,000

No
Benefits Package

Now, which is the better offer?



Health Care Choices After Transitioning

Separating from Active Duty

- Transitional Assistance Management Program (TAMP)
 - 180 days, premium-free
- Continued Health Care Benefit Program
 - For up to 18 months, can be used after TAMP expires
 - Quarterly premiums to be paid - \$1,275 individual and \$2,868 family
 - Enrollees responsible for co-pay and deductible

Retiring from Active Duty

- Tricare for Life
 - Must enroll within 30 days of retirement date
 - Annual enrollment fees - \$277.92 individual and \$555.84 family



Types of Coverage

- Health Maintenance Options (HMO)
- Preferred Provider Organizations (PPO)
- Point of Service (POS)
- High Deductible Health Plan (HDHP)



Civilian Health Insurance



Individual or Single Family

- Purchased from the insurance company or marketplace
- May be more expensive
- Health questionnaire or physical exam may be required
- More choices on coverage plans

Group

- Negotiated group rate, generally through employer
- Less expensive
- No individual within the group can be denied coverage
- Limited choices on plans



CONSIDER THESE COMPANY BENEFITS

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- A hand in a white sleeve holding a silver pen, pointing towards the list of benefits.
- Company Investment Plan
 - Discount / Free Membership
 - Insurance Co-Share Costs
 - Life Insurance
 - Money for Education / Certifications
 - Paid Relocation Cost
 - Promotion Opportunities
 - Relocation Services
 - Retirement Package
 - Transportation Reimbursement
 - Vacation / Sick Leave



Summary

- Analyze military compensation and compare to civilian compensation
- Compare Compensation Packages from two companies
- Identify types of health care benefits
 - PPO, HMO, POS, Cafeteria Plans, and ACA
- Other Company Benefits/Perks