



Financial Preparations for Deployment

Deployment can be challenging and stressful for you and your family. Having a financial action plan can give you greater control and peace of mind. Here are some issues you should consider about your finances before, during, and after deployment:

1. Know where you stand

- Confirm how much money you have in your bank accounts. How much savings do you have available for financial emergencies?
- You'll still be responsible for your household expenses and bills while deployed. Make a list of your monthly bills and debts and determine how you will handle them.

2. Put financial tools in place

- Consider setting up direct deposit of your paycheck to the account of your choosing. (If you have already set up direct deposit, make sure the deposits are being made to your desired account.) Direct deposit is the quickest and the most convenient way to receive your pay. Remember that it may take a week or two after you request direct deposit for your bank to activate it.
- A debit card can give you a safe and convenient way to pay for things from your checking account during deployment. If you don't have a debit card yet, consider applying for one. You can use your debit card at many ATMs. Also, because a debit card has a Visa® or Mastercard® logo on its face, you can use it wherever Visa® or MasterCard® debit cards are accepted. (Keep in mind that a debit card is not a credit card. When you use a debit card, the money is deducted from your checking account. With a credit card, you're borrowing money to be repaid later.)
- Using the military's automated [MyPay.gov](https://www.mypay.gov) system, you can arrange to automatically divide your pay and distribute it into more than one account. This is known as making allotments. Allotments are an easy and convenient way to make sure that both you and your family receive funds on a regular basis. Allotments can also help you automatically save and invest.
- Consider signing-up for online banking. With online banking, you can check the status of your accounts at any time, confirm deposits and withdrawals, transfer funds between accounts, pay bills, and more.
- To make sure all of your bills get paid on time, consider automatic bill pay. Remember: even one late payment can have a negative effect on your credit.
- To reduce the risk of identity theft during your deployment, you are entitled to place an active duty alert on your credit report. Businesses that see the alert are required to verify your identity before issuing credit. To place an active duty alert (or cancel it) contact one of the following companies and be prepared to provide proof of your identity:
Equifax: (800) 525-6285, www.equifax.com
Experian: (888) 397-3742, www.experian.com
TransUnion: (800) 680-7289, www.transunion.com

Financial Preparations for Deployment (continued)

2. Put financial tools in place (continued)

- Ask your bank to “flag” your accounts with a notice about your deployment and its estimated duration.
- Find out all of the ways you can communicate with your bank during deployment. These may include telephone, email, and text messaging.

3. Create your own financial team

- Consider adding the name of your spouse, significant other, parent, or trusted friend to your bank accounts. This is known as creating an account joint signer. An account joint signer has access to your account, can make changes, and get information, making money management more convenient for you. It's typically easy to add or remove joint signers from your accounts, but may require an in-person visit to your bank. Ask at your financial institution.
- Consider authorizing a trusted individual to make legal decisions on your behalf during your deployment. A power of attorney is a legal document you can create by working with a lawyer. With a power of attorney, you can specify which legal decision(s) that individual may and may not make, for example, to place an active duty alert on your credit report, close an account, or refinance your home. To learn more, speak with a lawyer with expertise in this area. As a servicemember you may be able to access free or low-cost assistance; contact your unit or installation legal assistance office to learn more.
- If you give someone power of attorney to act on your behalf, make sure that individual (your “attorney-in-fact”) has enough of your personal information to carry-out the powers you have delegated to him/her, and knows the location of your financial, insurance, and other documents that relate to the powers you have delegated. For example, consider whether your attorney-in-fact will need your:
 - » Social security number.
 - » Life, health and disability or accident insurance policies, account numbers, and company contact information.
 - » account information (to the extent it is relevant to the powers you have granted), including checking, saving, money market, credit cards, savings bonds, mutual funds, stocks, IRA, certificates of deposit bank and credit card accounts. This list should include information such as:
 - account or certificate numbers
 - name(s) on each account
 - address and phone number of the financial institution
 - interest rates
 - maturity dates
 - principal amounts
 - current balances
- If you're married, remember that a marriage license doesn't always guarantee your spouse legal access to your financial accounts, assets or belongings.

Financial Preparations for Deployment (continued)

4. Take advantage of the SCRA

- The Servicemember's Civil Relief Act (SCRA) is a federal law that provides a wide range of financial protections for servicemembers. It can help you to postpone or suspend certain civil obligations so you can devote full attention to duty and relieve stress on your family while you are deployed. For example, the SCRA can help servicemembers to manage obligations such as:
 - » Interest on outstanding debt you incurred prior to military service, including mortgages, auto loans, and credit cards
 - » Mortgage payments
 - » Taxes
 - » Lease terminations
 - » Pending court actions, such as bankruptcy, foreclosure, or divorce proceedings.
- The SCRA also helps to protect servicemembers and their families from eviction from housing while on active duty, maintain life insurance policies; and more.
- For more information about the SCRA, visit www.military.com or contact your unit or installation legal assistance office.

5. Update your insurance and will

- Review all of your insurance policies, including your life, auto, and homeowners or renters insurance policies. Make sure that each policy is up-to-date. Consider whether any changes are needed due to your deployment. For example:
 - » Ask your insurer if they offer reduced auto insurance rates for cars that will be stored.
 - » If you decide you need additional life insurance, make sure the plan covers a combat-related death. Many policies won't.
- Get legal assistance to create or update your will and healthcare directives.

6. Create a spending plan

- A spending plan is a simple strategy for making the most of your money and reaching your financial goals. On a simple, one-page form you write down the money you have coming in and what you spend in an average month.
- Putting it down on paper helps you see where you can improve and make better money decisions. A spending plan can help you live within your means by maintaining a lifestyle that you can afford—not spending money faster than you earn it and not borrowing more money than you can afford to repay.
- After writing your spending plan, you may find that there's not enough money to go around. Since your fixed expenses (like car payments or insurance) may be difficult to change, look for ways to decrease your flexible expenses (like phone bills) and discretionary expenses (like clothes or dining out).
- The right spending plan can help you set aside enough to pay your bills, have some savings for emergencies, and some money left over in your pocket every month.

Financial Preparations for Deployment (continued)

6. Create a spending plan (continued)

- Practice using your spending plan prior to your deployment. Your base/unit/support group financial counselor can assist you to develop and fine-tune your plan. You can also find assistance from these resources:
 - » Family Readiness Group
 - » Family Service Center
 - » Ombudsmen
 - » Key Volunteer
- Review your spending plan on a regular basis and make adjustments as your income and expenses change.

7. Keep saving

- Saving is an investment in your own future. Saving on a regular basis will help you to be prepared for unexpected expenses, afford large purchases, and achieve major goals. If you deposit your money in accounts that pay interest, your money will be safe and it will grow with interest over time. Put time on your side by starting to save more now.
- To build up your savings, put a portion of every paycheck you receive into your savings account by using direct deposit or automatic transfer. You'll be much less likely to spend the money that way. Decide on a percentage of your monthly income (for example, 5-10%) to direct deposit or transfer into your savings account. Set aside money for savings at the beginning of each month, rather than waiting to see what's left at the end.
- If your credit card debt is under control, start by building up an emergency fund equal to three to six months of living expenses in a savings or money market account. Next, start contributing to a retirement savings plan. Examples include:
 - » Roth IRA—this is a type of personal retirement account in which contributions are not tax-deductible, but earnings are tax-deferred and qualified withdrawals, including withdrawals at retirement, are tax-free.
 - » Thrift Savings Plan (TSP)—a federally-sponsored retirement savings plan that is open to servicemembers. (To learn more, visit www.tsp.gov)
 - » The military's Savings Deposit Program (SDP)—this program is available only to those serving in designated combat zones. It's helpful for short-term savings goals such as a down payment on a home. Qualified servicemembers may contribute up to \$10,000 during a single deployment and earn a guaranteed 10% annual interest rate. The money must be withdrawn within 90 days of return.

8. Plan ahead for tax time

If you will be deployed when your taxes are due, plan ahead. Decide who will prepare your returns and make sure they have the information they'll need. Or, consider filing for an extension with the Internal Revenue Service. To learn more, visit the Tax Center at www.military.com.

For additional action plan steps: The following page contains helpful resources for during, and after deployment.

During Deployment

1. Keep in touch

- Stay aware of financial situation. Keep in touch with your spouse or the person you have entrusted to make decisions on your behalf while you are deployed.

2. Reach out for help

- The Personal Financial Management section of the Military Homefront Web site (www.militaryhomefront.dod.mil), offers valuable information to help servicemembers and their families.
- Military One Source offers free, confidential financial planners and counselors available toll-free 24/7 at #800-342-9647.

After Deployment

1. **Contact your financial institution.** Let them know that you have returned from your deployment so they can update their records.
2. **Update your bank and creditors** with any changes to your local mailing address, telephone number(s) and e-mail address.
3. **Review your insurance policies.** If you made any changes prior to deployment, you may need to reinstate or update your coverage now.
4. **Consider dissolving your power of attorney** and removing joint signer(s) from your accounts.
5. **Review your financial situation with your spouse or significant other.** Discuss financial developments that occurred during your deployment. Agree on how you'd like structure your money management roles/responsibilities now. If you have financial problems or issues, consider getting help from your banker or other financial advisor. Many financial institutions will offer guidance at no cost.
6. After you get settled, **update your financial strategy** for your next potential deployment. Identify what went smoothly during your deployment and what could be improved. Update your plan while your experience is still fresh in mind.

For more information:

Visit the Personal Financial Management section of Military Homefront (www.militaryhomefront.dod.mil), the official DoD Web site for reliable quality-of-life information to help servicemembers and their families.

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