

Military Money & Relationship Essentials

AFCPE® Professional Development Series

Preview

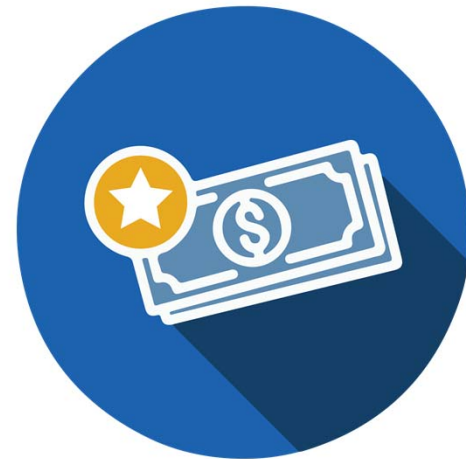


Military Money & Relationship Essentials

Module 1 Overview

- Military Money
- Money & Relationships

Preview





Military Money

Ways to save during deployment

- Suspend your cell phone and utilities
- Call your insurance company and see if you can save on your car insurance
- Contribute to TSP (Thrift Savings Plan), SDP (Savings Deposit Program) or an IRA (Individual Retirement Account)

Military Money

1 Automatic and Matching Contributions

Automatic contributions are seen immediately



| You Contribute | DoD Auto Contribution | DoD Matches | Total |
|----------------|-----------------------|-------------|-------|
| 0% | 1% | 0% | 1% |
| 1% | 1% | 1% | 3% |
| 2% | 1% | 2% | 5% |
| 3% | 1% | 3% | 7% |
| 4% | 1% | 3.5% | 8.5% |
| 5% | 1% | 4% | 10% |

The DoD automatically contributes **1%** of your basic pay to your **Thrift Savings Plan** after **60 days of service**.

You'll see matching contributions at the start of 3 through the completion of 26 years of service, and...

You're fully vested—it's yours to keep—as of the beginning of 3 years of service and goes with you when you leave.

2 Continuation Pay

Received at the mid-career point



You may receive a **cash payment** in exchange for additional service.

3 Full Retired Pay Annuity

Received after completing 20 years of service

$$2\% \times \text{Years Served} \times \text{Retired Pay Base}$$

Calculate your **retired pay base** by **averaging the highest 36 months of basic pay**. You'll gain this monthly annuity for life after completing 20 years of service.

Source:

<https://www.army.mil/article/169894/pentagon/unveils/modernized/retirement/plan/for/uniformed/service/members>

