

Military Money & Relationship Essentials

AFCPE® Professional Development Series

Preview

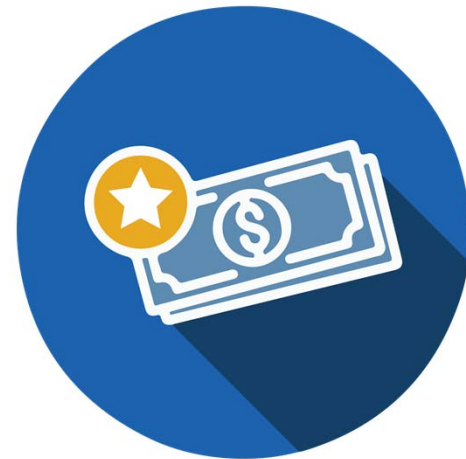


Military Money & Relationship Essentials

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>

