



DISABLING SICKNESS OR CONDITION

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

Combining personal, caregiving and everyday needs can be challenging and overwhelming if a Sailor or their family member — whether a child or an adult — becomes disabled. It's important the Sailor gather information about their family member's condition. Being informed will help them make more knowledgeable health care decisions and improve their understanding about any challenges their family might face.

Use this checklist as a solutions-focused tool to help your counselee set goals, establish priorities, and develop a family action plan. Space is provided to add notes and reminders about additional topics.

Counselor: Ask your Sailor(s) where they are in this difficult process. Caring for an aging parent or ill family member can be both challenging and complicated. Sacrifices are often made financially, professionally, and personally to support those they love. It's important you help them to understand the resources available to assist them and their family. While no two families are ever alike, you can help them prepare for the financial challenges they may encounter. The base legal office may be able to help the Sailor(s) find pro bono or reduced-fee assistance if he or she finds the cost of adequate legal counsel prohibitive.

HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Major Purchases
- ✓ 5 Rules Of Buying A House
- ✓ Military Retirement
- ✓ Education Savings & Benefits
- ✓ Paying Off Student Loans
- ✓ TRICARE Overview
- ✓ Estate Planning
- ✓ Survivor Benefits Overview
- ✓ Thrift Savings Plan



FINANCIAL PLANNING

- Make a spending plan for your household or revise your current spending plan to account for changes in income and expenses. Review the "Spending Plan Worksheet" handout.
 - Will your spouse need to quit their job due to their disability or to care for a child(ren) and/or aging parent(s)?
 - Will the Service member be medically separated or medically retired due to their disability?
 - Will there be additional expenses for caregiving, traveling to/from appointments, equipment, therapies, etc.?
- Analyze your housing and transportation needs.
 - Do you need to modify your residence to accommodate for the disability such as wheelchair accessibility?
 - Will you need to make additional living arrangements such as long-term care facilities?
 - Do you need to modify or replace your vehicle to accommodate for the disability?
- Work with the base housing office if you live in base housing or plan to move to base housing to address any housing needs related to your situation.
- Be sure to prepare your finances for any major purchases if you will be buying a new home or vehicle. Review the handouts, "Major Purchases" and "5 Rules of Buying a House," for more information.

- Create or restart your emergency fund. Consider increasing your emergency savings to cover three to six months of living expenses, if not presently funded at that level. Add any additional monthly expenses for caregiving, traveling to/from appointments, equipment, therapies, etc.
- Establish a plan to replenish your account as soon as possible in case you depleted some or all of your emergency fund.

Additional Notes: _____



DISABILITY INCOME

- File a Veterans Administration (VA) disability claim if being separated from the military.
- Apply for disability income through the Social Security Administration (SSA). Spouses, children and disabled veterans may qualify for Social Security Disability Income (SSDI). Visit ssa.gov to locate an office near you.



TAXES

- Review your tax situation and change federal and state withholding as needed via mypay.dfas.mil.
Counselor: Remind Sailor(s) that for additional help, they may wish to consult with a PFM/E at the FFSC or the on-base Volunteer Income Tax Assistance (VITA) office.
- Keep receipts and records of your medical and home modification expenses for tax purposes. You might be able to claim these expenses on your tax return. Please see IRS Publication 502 for more information. Talk to a tax specialist.



INSURANCE

1. Health Insurance:

- Verify/update family member(s) enrollment in TRICARE (active duty), TRICARE Reserve Select (Reserve members), or other health insurance plan. Review the handout, "TRICARE Overview" for more information. Visit www.tricare.mil to find out more about your options.
*Counselor: Note that TRICARE Prime and TRICARE Select require annual enrollment. Sailor(s) may also want to reassess their own TRICARE plan. Refer active-duty Sailor(s) to www.tricare.mil/Plans/HealthPlans. Refer Reserve Component Sailor(s) to www.tricare.mil/Plans/HealthPlans/TRS.
Remind Reserve Sailor(s) that they must ensure continuous, regular payments to stay enrolled in TRICARE Reserve Select. Irregular drill pay can cause Sailor(s) and family members to be dropped until the next open enrollment period.*
- Arrange coordination of benefits with TRICARE or another insurance carrier if your spouse is employed and also has health insurance (OHI or "other health insurance").

Counselor: Remind Reserve Sailor(s) with civilian insurance plans to review available policies for features like deductibles, copays, prescription coverage, costs for in-network and out-of-network coverage, and other options that can affect the true cost of health care.

- Enroll family members into the Exceptional Family Member Program (EFMP), for active duty and activated reservists only. Visit your medical treatment facility for information. Your Fleet and Family Support Center, EFMP Liaison can also assist you and your family with resources and information.
- Enroll family members into the ECHO Program if applicable (must be enrolled in the EFMP to be eligible), for active duty and activated reservists only.
- Enroll family members in any Federal and State health care programs available, such as Medicare and Medicaid, if eligible. Visit your State's Department of Social and Health Services office/website for more information.
- Be sure to locate your nearest VA medical clinics and hospitals if the Service member is being separated due to their disability. You will need to complete the application for health benefits (VA Form 10-10EZ). Visit this website for more information <https://www.va.gov/health-care/apply/application/introduction>.
- Verify/update family member(s) enrollment in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.

2. Property Insurance:

- Review/update your homeowners or renters property and liability insurance policies to ensure that they are adequate for your new circumstances.
- Review/update your vehicle insurance policies if applicable.

3. Life Insurance:

- Verify/update the beneficiaries of your Servicemembers' Group Life Insurance (SGLI), if applicable.
- Update/enroll your family members in Family Servicemembers' Group Life Insurance (FSGLI), if there has been a change.
- If the servicemember is being separated due to their disability, they are eligible to convert their SGLI to VGLI (Veterans' Group Life Insurance). There is no coverage for family members. Visit <https://www.va.gov/life-insurance/> for more information.
- Evaluate your life insurance needs to ensure you have enough coverage, the right type of coverage, and correct beneficiaries.
 - If you are separating or retiring from service compare your options for Veteran's Group Life Insurance and other private life insurance policies. Visit va.gov and search "VGLI" for more information about costs and conversion deadlines.

Counselor: For Sailor(s) separating from service and who desire to maintain life insurance coverage, VGLI may be a good option, especially if they are in poor health. Be sure to share the rules about converting SGLI to VGLI which are outlined at <https://www.va.gov/life-insurance/options-eligibility/vgli/>.

- A simple method to calculate your life insurance needs is to use the acronym LIFE. Start by totaling all four categories listed below.

L liabilities	Debt you would like to pay off, like a mortgage, auto loan or credit card(s).	\$
I ncome to be replaced	Income you would like to replace. Multiply targeted annual income amount by the number of years to replace.	\$
F uneral and final expenses	The amount you would like to set aside for final expenses.	\$
E ducation and other goals	The amount you want to set aside to fund education and other goals for family, friends, or charitable organizations.	\$
	Total life insurance needed	\$\$\$\$

Then compare your life insurance needs with your current amount of coverage plus any assets available at death. If you find you need additional coverage, then consider supplementing Servicemembers' Group Life Insurance (SGLI) with a commercial life insurance policy. Review the policy for any restrictions, such as a war clause. Common life insurance policies include:

- Term Insurance — provides a stated amount of coverage over specific period of time and is designed to provide a large amount of coverage for the least cost.
- Permanent insurance — provides coverage designed to last for your entire life and can build cash value.

There are several permanent life insurance options offered such as universal life, whole life, variable life and even variable universal life insurance. These policies have a surrender period and will be subject to fees and penalties if canceled during this time.

Counselor: Remind counselees to ask questions and fully understand any commercial life insurance policy they are considering purchasing. They should understand the cost, coverage, terms and conditions, as well as how the agent is compensated before making a decision to buy.

Additional Information: _____



RETIREMENT PLANNING

- Review/update your and/or your spouse's retirement planning options and strategies.
- Understand the Blended Retirement System (BRS) benefits. Review the "Military Retirement" and "Thrift Savings Plan" handouts.
 - Are you contributing at least 5% into your Thrift Savings Plan (TSP) to get the maximum match?
 - Are you eligible for Continuation Pay soon?
 - Do you need to modify your retirement benefits to adjust to any new income amounts — more or less — that are coming into your household temporarily?

Additional Information: _____



EDUCATION PLANNING

- Are there additional options, benefits or programs available if someone will be going back to school for retraining or to adjust their career? Review the "Education Savings and Benefits" handout to learn more about financing education and available benefits.
- Do you already have student loans? Review the "Paying Off Student Loans" handout to learn more about repayment options.
 - Can the disabled person discharge any federal student loans they have? Visit this website for more information <https://studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge>.



ESTATE PLANNING

- Review the "Estate Planning" handout and see your base legal office (or other legal counsel) to establish or update estate planning documents such as wills, power of attorney, etc.

Counselor: If the Sailor(s) does not yet have an estate plan, provide the "Estate Planning" handout and suggest that he or she develop an estate plan with assistance from the base legal office (active duty) or civilian legal services (Reserve; legal services are sometimes available through civilian employers). To help active-duty Sailor(s) learn more about Navy legal services, refer them to www.jag.navy.mil/legal_services.htm. Suggest to Sailor(s) that they should seek legal assistance as soon as possible.

- Consider a testamentary/non-testamentary trust or ABLE account for your disabled spouse/child(ren)/parent. It may help protect income options for the disabled party should an inheritance disqualify them for state or government benefits they are enrolled in. Your base legal office can assist you in determining if this is a viable option for your situation.

Counselor: In certain cases, a Special Needs Trust (SNT) may need to be established for the Sailor or their family member. A special needs trust is a trust tailored to a person with special needs that is designed to manage assets for that person's benefit while not compromising access to important government benefits.

- Review/update all home ownership and vehicle documents to clarify right of survivorship and joint tenants in common according to your state laws.
- Review the "Survivor Benefits Overview" handout for more information on financial resources available to eligible family members.

Additional Information: _____



CARING FOR AGING PARENTS

- Consider their housing and care options: in-home care, assisted living, nursing home or residing with a family member.
- Consider making your disabled parent a dependent if they come to live with you. You will need to complete the following: DD137-3, verification of dependent's income, proof of support, copy of NAVPERS 1070/602 and DD1172-2. This process can take up to two years. Speak with your legal office for more information on the process.

- Parents who are dependents can enroll in TRICARE Plus, where available, for a monthly fee.

Additional Notes: _____
