



WELCOMING YOUR FIRST CHILD

CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

HANDOUTS

- ✓ Estate Planning
- ✓ Spending Plan Worksheet
- ✓ Survivors Benefits Overview
- ✓ Military Retirement
- ✓ TRICARE Overview
- ✓ Paying Off Student Loans
- ✓ Education Benefits and Savings

Your first child changes everything familiar in your household... including the household finances. This checklist, supplemented with information and referrals from the Fleet and Family Support Services (FFSS) staff, can help Sailors and families organize their finances efficiently as they work through the many changes that come with a new birth or adoption.

Use this checklist as a solution focused tool to help your Sailor(s), in a one-on-one conversation, set goals, establish priorities, and develop a family action plan. Space is provided to add local resources and reminders about additional topics.

Counselor: Ask your Sailor(s) about their households: Are they married or single parents? Is the Sailor active-duty or a member of the Reserve? Is the child or children a newborn, a stepchild, or an adoptee? If a stepchild or adoptee, what is the child or children's age(s)? Has the Sailor made child care arrangements and if not, what options are they considering? Answers to these questions can help you prioritize discussion topics, provide resources, and make referrals.



DOCUMENTS

- Obtain an official copy of your child's (or children's) birth or adoption certificate(s).

Counselor: Remind Sailor(s) that an official copy is often embossed or certified in some way. Court documents may be notarized. To replace a lost or misplaced birth certificate, parents should check with the Bureau of Vital Statistics in the state where the child was born or see www.usa.gov/replace-vital-documents for information on how to obtain a replacement.

Remind adoptive parents that they may qualify for partial reimbursement of adoption expenses. (Reference: <https://www.dfas.mil/militarymembers/payentitlements/adoptionreimbursement.html>.)

- Apply for a Social Security Card for your child or children.

Counselor: Refer Sailor(s) to <https://www.ssa.gov/pubs/EN-05-10023.pdf> for more information.

- Add your new dependent(s) to your Defense Enrollment Eligibility Reporting System (DEERS) account. Bring the birth certificate(s) and/or court documents to the nearest Defense Enrollment Eligibility Reporting System/Real-Time Automated Personnel Identification System (DEERS/RAPIDS) office.

Counselor: Tell Sailor(s) that this is something they must do in person. They may review the list of acceptable identification documents at www.cac.mil/Portals/53/Documents/List_of_Acceptable_Documents.pdf. They can find the nearest DEERS/RAPIDS office at <https://www.dmdc.osd.mil/rsl/appj/site>.



- Check your Leave and Earnings Statement (LES) after DEERS updates.

Counselor: Remind Sailor(s) to verify the requested changes have been made and they are receiving the correct pay and allowances. Suggest they be especially careful about overpayments, as these will be recouped. Remind Sailor(s) to set aside money from an overpayment. Tell them if they do not know why they received it, they should probably save it until they find out.

- See your base legal office (or other legal counsel) to establish or update estate planning documents. Review the "Estate Planning" handout for more information.

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. They should not wait until right before temporary duty (TDY) travel or deployment, when appointments may be difficult to get.

Additional Notes: _____



FINANCIAL PLANNING

- Use the "Spending Plan Worksheet" to revise your current spending plan and account for changes in income, expenses and/or debt.

Counselor: Inform Sailor(s) that a more detailed template is available through the FFSC with features that can help them understand their financial condition and reduce excessive debt. If the baby has not yet been born, talk with your Sailor(s) about planning for maternity/paternity leave and the potential change to income. Also discuss the upfront and recurring costs that come with a new born or young child: crib, stroller, car seat, diapers, clothing, etc. For information about the Navy's parental leave policy see https://www.public.navy.mil/BUPERS-NPC/SUPPORT/21ST_CENTURY_SAILOR/TFLW/Pages/.

Remind them to be smart shoppers, looking for bargains on used and refurbished items as well as new ones. Suggest they consider the Navy Marine Corps Relief Society Thrift Store for baby items and utilize resources from the Bundles for Baby class on their base. (Provide information about the schedule and registration procedure.)

- Consider increasing your emergency savings to cover three to six months of living expenses, if not presently funded at that level. This is especially important if you are the sole source of income for yourself and your dependents.

Counselor: An emergency fund can help to cover unexpected costs associated with a new child and help to keep the Sailor(s) from getting into debt. If the Sailor(s) needs to dip into the emergency fund, it's important they budget to replenish this money as soon as possible.

- Enroll in financial assistance programs for which you may qualify.

Counselor: The federally funded Women, Infants, and Children (WIC) program, for example, can be especially helpful to new families. Refer Sailor(s) to: <https://www.fns.usda.gov/wic/who-gets-wic-and-how-apply>. Introduce them to the New Parent Support Program on your base for additional guidance.

- Seek out and take advantage of financial workshops for parents.

Counselor: Promote workshops that are available through your FFSC (share your Center's schedule with the Sailor(s), or similar providers in other services (e.g., Air Force Aid Society (AFAS), Navy-Marine Corps Relief Society (NMCRS) on a joint base.

- Get credit reports for yourself, your spouse, and your children.

Counselor: Tell Sailor(s) that they may be dealing with many new creditors, which increases their exposure to billing errors and identity theft. Also remind them children are a favorite target of identity thieves, who sometimes commit fraud under a child's assumed identity for many years without being detected. Remind Sailor(s) that they can get a free copy of credit reports from the personal financial counselor/educator (PFM/E) at the FFSC. The PFM/E can also help them interpret their reports and discuss what they need to do to improve their scores.

- Review the "Survivor Benefits Overview" handout for more information on financial resources available to eligible dependents.

- Review your new tax situation and change federal and state withholding as needed. Visit <https://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.

Additional notes: _____



RETIREMENT

- Understand the benefits of the military retirement system: Legacy "High-3" or BRS and the rules on Thrift Savings Plan matching/vesting.
- Review the "Military Retirement" handout accompanying this checklist for more information.
- Understand the importance of retirement planning throughout the military lifecycle. It is never too early to start planning for retirement. The sooner you begin saving, the less you may have to save over time. Once you start saving, it shouldn't be a "set it and forget it" mentality.
- Revisit savings goals and TSP contributions regularly.



INSURANCE

Life Insurance:

- Evaluate your life insurance needs to ensure you have enough coverage, the right type of coverage, and correct beneficiaries. 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.

- Review the beneficiaries of your Servicemembers' Group Life Insurance (SGLI). Children are covered by Family SGLI at no cost.

Counselor: Inform Sailor(s) that children are automatically covered at \$10,000 as soon as they are registered in DEERS. Also inform Sailor(s) that the SGLI Online Enrollment System (SOES) allows service members with full-time SGLI coverage to make fast and easy changes to their life insurance coverage and beneficiary information at any time without completing a paper form or making a trip to their personnel office. To access SOES, they must sign into www.dmdc.osd.mil/milconnect and go to the "Benefits" tab, Life Insurance SOES-SGLI Online Enrollment System.

Health Insurance:

- Enroll new family member(s) 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.

Remind 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.

- If your spouse is not covered by other health insurance (OHI), contact TRICARE to discontinue coordination of benefits, so that TRICARE is the spouse's primary insurance.
- Enroll new family member(s) in the TRICARE Dental Program. Monthly premiums and copays will apply. Visit www.tricare.mil/Dental for more information.

Counselor: Refer Sailor(s) to 1(844) 653-4061 or to www.tricare.mil/CoveredServices/Dental/TDP to learn more. Reserve members should examine available programs to determine the best insurance available for their situation.

Property Insurance:

- Review and update your homeowner's or renter's property and liability insurance policies to ensure they are adequate for your new circumstances.

Counselor: Sailor(s) exposure to property or liability losses might be higher with a child in the household than it was before. For example, new friends may bring their children to the Sailor's home. Sailor(s) should be sure they have enough liability insurance to cover injuries to playmates occurring on the Sailor's property. Suggest they consider purchasing an "umbrella" or excess liability policy in addition to homeowners or renters insurance.

Additional notes: _____



PLANNING FOR EDUCATION

- Now is the time to start planning and saving for your child's education. Review the "Education Benefits and Savings" handout for more information about education savings plans.
- Review the "Paying Off Student Loans" handout.