



# PERMANENT CHANGE OF STATION (PCS)

## CFS/PFM CHECKLIST

NAVY FINANCIAL READINESS

Moving often means adjusting to change and starting new routines. This is especially true for your finances and cash flow.

This checklist, supplemented with information and referrals from the Fleet and Family Support Center (FFSC) staff, can help address the main financial considerations of a PCS to help a Sailor make sound financial decisions.

## HANDOUTS

- ✓ Spending Plan Worksheet
- ✓ Understanding Credit
- ✓ Major Purchases
- ✓ 5 Rules for Buying a House
- ✓ PCS Expense Worksheet
- ✓ Military Consumer Protection



## FINANCIAL PLANNING

- Update your personal spending plan using the "Spending Plan Worksheet". A good spending plan helps you manage your money, plan for your financial goals, and prepare for emergencies. Here are four tips financial experts suggest to help you get started.

*Counselor: Inform Sailor(s) you can provide a "Spending Plan Worksheet" as well as more detailed templates with features that can help them understand their financial condition and reduce excessive debt.*

Tip 1: Understand your current situation.

In this step, it's important to understand what's really going on with your money today. Start tracking all of your current cash inflows and outflows for the next 30 days to analyze where you are spending. Or calculate your past 30 days using credit card and bank account statements.

Tip 2: Know where your money should go.

Financial experts offer these general guidelines when budgeting your money:

- Save and/or invest 10 - 15% of pretax pay.
- Strive to keep transportation expenses including car payments, insurance, gas, and maintenance to 15 - 20% of pretax pay.
- Limit housing expenses, including mortgage or rent payment, taxes, utilities, maintenance, etc., to the Basic Allowance for Housing (BAH) or 25% of pretax pay.

Tip 3: Create a plan.

Build a plan for setting aside money and putting limits on how much you'll spend each month on various things.

Tip 4: Make adjustments.

Make sure to go back and update your spending plan as life changes.



- Establish an emergency fund. Financial experts suggest you should keep at least three to six months of living expenses in reserve. If you do not have that much saved, consider setting aside a little money each paycheck to help get you there.  
*Counselor: Share the concepts of paying yourself first, automating savings, and keeping their emergency fund in a separate account with your counselee. Suggest the Sailor set up an automatic transfer through his/her bank or an allotment, time permitting.*
- Identify changes in pay, expenses and taxes from your current duty station to your next duty station.
  - Budgeting to live on one income is a great way to reduce financial related stress during a PCS. The second income, once re-established, can be used for saving for goals and quality of life improvements. Using this strategy can reduce long term debt obligations when additional income is interrupted during a move.
  - Potential changes to income could include an increase or decrease in: CONUS or OCONUS Cost of Living Adjustment (COLA), Basic Allowance for Housing (BAH), and spousal income due to job change. Visit [www.defensetravel.dod.mil/site/allcalc.cfm](http://www.defensetravel.dod.mil/site/allcalc.cfm) to calculate expected changes to your pay.
  - Potential changes to your expenses at your next duty station may include an increase or decrease in: housing, transportation, insurance, child care, food, fuel and utilities. It's important to establish a spending plan so you can identify and adjust to these changes.
  - Note: Your tax liability could change depending on where you are relocated. Speak to a tax professional to discuss your specific situation.
- Notify your financial institutions and creditors of your upcoming move. Consider setting up automatic bill pay to avoid missed or late payments. Confirm all transactions have cleared your bank or credit union account, if you plan to switch financial institutions at your next duty station.
- Check your credit report for free and resolve any errors. Visit <https://annualcreditreport.com> or speak to a financial counselor on your installation. Review the "Understanding Credit" handout for more information about credit reports, credit scores and tips on improving your credit.
- Set up auto payments and update your address at [usps.com](http://usps.com) and with creditors.
- Develop a plan for managing and paying off your debt. Help is available at your Fleet and Family Support Center (FFSC) or at [www.powerpay.org](http://www.powerpay.org).
- Analyze your housing and transportation needs and be sure to prepare your finances for any major purchases related to your PCS. Review the handouts "Major Purchases" and "5 Rules for Buying a Home" for more information.



## PCS CONSIDERATIONS (Before Your PCS)

- Prepare for possible housing-related expenses such as cleaning, maintenance, long-term storage, insurance, and house hunting at your next duty station.
- Consider weight limitations, since you must cover the cost of shipping items that exceed the DoD weight limits. Visit [www.move.mil](http://www.move.mil) or your Travel Management Office for more information.  
*Counselor: The Sailor may want to consider a yard sale or online marketplace to sell non-essentials. This provides two benefits – they can make extra money AND lower their shipping weight. Another option is to donate the items to a charity.*

- Review the Servicemembers' Civil Relief Act (SCRA) to see if your PCS orders qualify you to break your lease contract on your home, vehicle, or cell phone. Review the "Military Consumer Protection" handout for more information.

*Counselor: Remind Sailor(s) the base legal office can assist with additional questions about SCRA.*

- Prepare for the potential costs associated with transporting and/or storing your vehicles.  
The government only pays for the shipment of ONE vehicle to overseas duty assignments and usually only pays what it would cost to drive one personally owned vehicle from station to station in the U.S. There may be exceptions, so check with your command and your Travel Management Office regarding your specific situation.
- Prepare for potential costs associated with taking pets to your next duty station. These costs may include immunizations required for overseas travel (quarantine, airline crates, etc.) as appropriate.
- Obtain passports and visas when appropriate. There will be costs associated with passports and visas when transferring overseas. The cost for these may be reimbursed with command approval. More information on passport fees and processing times (normally four to six weeks after application) is available on the State Department website <https://travel.state.gov/content/travel/en/passports.html>.

*Counselor: Note that passport rates vary based on whether the passport is new or being renewed. Passport applications for children under 16 require the presence of both parents, even if they are estranged.*



## PCS CONSIDERATIONS (During Your PCS)

- Estimate travel costs for your PCS move using the "PCS Expense Worksheet" provided. Remember to keep all receipts so you can complete your travel claim immediately upon arrival. Also, any unreimbursed moving expenses may be eligible for a tax deduction. Be sure to consult with a tax professional.

*Counselor: Remind Sailor(s) to budget an average of \$25 per 100 miles of driving for gas and maintenance. The government authorizes 350 miles of travel per day, so they will want to plan their number of overnight stays based on this distance. Multiply planned number of overnight stays by \$120 per night or more depending on the unique characteristics of their family. Estimate \$50 per person per day for meals.*



## PCS CONSIDERATIONS (After You Arrive)

- Prepare for possible expenses once you arrive such as security deposits, lodging, child care, and vehicle registration costs.
- Consider the pros and cons of changing state residency. The Military Spouses Residency Relief Act (MSRRA) gives the spouse of an active-duty service member the option not to change state residency when relocating to a new state due to a PCS. Changing may not be the best option for a spouse because it may impact state income tax, personal property taxes, car registration, and voter registration.

Under MSRRA, if your spouse plans to work in the new location and not change residency, they should file their IRS Form W4 with their employer.

*Counselor: Inform Sailor(s) for more information on the topic of military spouse residency, visit <https://militarybenefits.info/military-spouse-act-residency-relief-msrra>.*

- Child care can be a big expense, so seek out potential resources to help reduce costs. Sources of potential help include:
  - Military OneSource: [www.militaryinstallations.dod.mil](http://www.militaryinstallations.dod.mil)
  - Command sponsors in your new location
  - MilitaryChildCare.com, [www.militarychildcare.com](http://www.militarychildcare.com): A DoD-sponsored organization matching military families with providers that includes both child development centers on base and certified care homes.
  
- Visit Military OneSource and the Military Spouse Employment partnership website for spouses needing help seeking new employment: [msepjobs.militaryonesource.mil/msep](http://msepjobs.militaryonesource.mil/msep).



## PCS ENTITLEMENTS

- Speak with your installation’s Finance Office and Travel Management Office for the most up-to-date information on travel pay and allowances specific to your situation.
- Typical Travel Pay and Allowances:

Allowance	Purpose
Mileage reimbursement	Offset driving costs
Per diem	Cover hotel and meals
Dislocation allowance	Cover expenses not otherwise reimbursed

- Other Pay and Allowances (Location Specific)

OHA	Overseas Housing Allowance
MIHA	Move-In Housing Allowance
TLA	Temporary Lodging Allowance



- You may use your Government Travel Charge Card (GTCC) during your PCS to cover expenses that will be reimbursed by the government. Remember that these cards are ONLY for official travel-related expenses and misuse of your GTCC can subject you to administrative or disciplinary action. You will be responsible to pay any overages on the GTCC that are not covered by reimbursement, so it is important to develop an estimated cost of what is reimbursable.
- Upon receipt of your orders, you may request an advance on pay and eligible allowances such as Basic Allowance for Housing (BAH), to help cover the extra expenses of relocation due to your PCS move. However, it is important to note that since this is an advance, it MUST BE REPAID over the next 12 months unless your unit commander authorizes a longer repayment term.