

Anchors Aweigh Managing Personal Finances

Finances can be a major issue for any couple, but when added into the military life, it can be the cause of some major stress! It is important to understand your spouse's Leave and Earnings Statement (LES), to have a game plan for moves and deployments as well as a good working family budget. Be realistic and be prepared for what life may throw your way.

A family budget is a powerful tool! It can help you keep your finances on track, stay focused on your goals and plan for your future.

Resources

Operation Money with Jean Chatzky (brought to you by MSCCN, CASY and Blue Star Families). A financial guide for military service members and families.

<http://www.jeanchatzky.com/operation-money>

FFSC (Fleet and Family Support Center) www.ffsp.navy.mil

The Navy's Personal Financial Management (PFM) implements specific requirements that establish a systemic approach to address personal financial management issues for Sailors, families and Navy commands.

***Command Financial Specialist**

Command Financial Specialists (CFS) are members of the naval military who are appointed by the commanding officer (CO) to provide financial education and training, counseling and information referral at the command level. A CFS is trained to establish, organize and administer the command's finance program. The CFS should be the first stop for the military member who has questions or issues about financial readiness.

***Predatory Lending**

The Navy's PFM program wants to help educate Sailors and their families on predatory lending, which is any lending practice that imposes unfair or abusive loan terms on a borrower. It is sometimes called a cash advance or 'pay-day' loan. It is also any practice that convinces a borrower to accept unfair terms through deceptive, coercive, exploitative or unscrupulous actions for a loan that a borrower does not need, does not want or cannot afford.

NMCRS (Navy Marine Corps Relief Society) www.nmcrs.org

When you're having trouble meeting urgent financial needs, NMCRS may be able to provide an interest-free loan or grant. Through financial counseling, they'll also help you plan for better financial stability. From everyday bills to unexpected expenses, caseworkers are ready to help. They understand the unique challenges of military life, and they're ready to listen and suggest options to bring you needed relief.

NMCFRS services are completely confidential. Your caseworker will review your financial situation and guide you through helpful resources and budget planning. If you're approved for a loan or grant, you'll get funds right away. There's no application fee, and the appointment is completely free. If you need \$500 or less, you may be eligible for a Quick Assist Loan. Set up a free appointment with your local NMCRS office to establish a workable family budget!

Payment Calculator - Is a great tool to use when making a large purchase like a car or home. A payment calculator can help you determine how much you can afford to spend taking into account the length of the loan and interest rates.

<https://www.navyfederal.org/products-services/loans/auto/car-loan-calculator/>
https://mobile.usaa.com/inet/wc/advice_planners_and_calculators_main?0&akredirect=true

Credit Scores and Reports - Good credit is essential to any successful financial life. In civilian life, in addition to impacting your ability to borrow at a reasonable interest rate (if at all), it helps determine how much you pay for homeowners and auto insurance, whether or not you can rent an apartment, and, sometimes, your chances of landing a job. In the military, all of these things are also true—but your credit status can have an even bigger impact. There's no set formula or credit score requirement, but your credit worthiness and your bill payment history will impact your ability to serve. Beyond that, a poor credit score can affect your security clearance, or prevent you from getting the level of clearance that your job requires. ~Jean Chatzky, "Operation Money"

<http://www.jeanchatzky.com/operation-money>

Retirement - It is never too early to start planning for your retirement. It may seem like a long way off but it comes faster than you think. Even if the plan is to stay in the service for 20 years, at that point you will receive half of your base pay for your retirement. When you are younger, time is on your side. Putting away small amount of money every month when you are young has a huge effect on your retirement accounts. If you wait 10-15 years to start saving for retirement you will have to put two to three times as much away to get to the same endpoint.

Thrift Savings Plan

<https://www.tsp.gov/index.html>

LES (Leave and Earnings Statement)

<https://mypay.dfas.mil/mypay.aspx>

1. The LES is your spouse's paycheck, but also provides a wealth of information. You should take the time to understand this document.
2. Your spouse should print his or her LES each month and keep copies. Only the current year is available online.
3. Check your LES every month and verify any updates or changes such as:
 - BAH rates after a PCS move
 - Changes made to your TSP (Thrift Savings Plan)
 - Deployments (and Sea to Shore changes)
 - Promotions
 - Starting or stopping allotments

3. If there is extra money in your paycheck, don't assume it is yours. Verify the amount before you spend it!

Entitlements

*Basic Pay

*BAH (Basic Allowance for Housing)

*BAS (Basic Allowance for Subsistence)

*OHA (Overseas housing allowance)

*COLA (Cost of Living Allowance for Overseas Orders)

*Clothing Allowance

*FSA (Family Separation Pay)

*DLA (Dislocation Allowance)

*SGLI (Service Member Group Life Insurance)

*FSGLI (Family Service Member's Group Life Insurance)

How to read an active duty Navy Leave and Earning Statement

Your pay is your responsibility!

This is a guide to help you understand the Leave and Earnings Statement (LES). The LES is a comprehensive statement of a member's leave and earnings showing entitlements, deductions, allotments (fields not used for Reserve and National Guard members), leave information, tax withholding information, and Thrift Savings Plan (TSP) information. Your most recent LES can be found 24 hours a day on myPay.

If members receive Career Sea Pay, the Sea Service Counter will still be displayed in the remark portion of the LES. The LES remains one page in length.

Verify and keep the LES each month. If pay varies significantly and you don't understand why, or if you have any questions after reading this publication, consult with your disbursing/finance office.

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																					
ID	NAME (LAST, FIRST, MI)				SOC. SEC. NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSN/DSSN	PERIOD COVERED									
	1				2	3	4	5	6	7	8	9									
ENTITLEMENTS				DEDUCTIONS				ALLOTMENTS				SUMMARY									
TYPE		AMOUNT		TYPE		AMOUNT		TYPE		AMOUNT		+ AMT FWD		13							
A B C D E F G H I J K L M N O	10				11				12				- TOT ENT		14						
													- TOT DED		15						
													- TOT ALMT		16						
													= NET AMT		17						
													- CR FWD		18						
													= EOM PAY		19						
TOTAL		20		21				22				DIEMS		23							
												RET PLAN		24							
LEAVE		BF BAL	ERND	USED	CR BAL	ETS BAL	LV LOST	LV PAID	USE LOSE	FED TAXES		WAGE PERIOD	WAGE YTD	M/S	EX	ADD L TAX	TAX YTD				
		25	26	27	28	29	30	31	32	33		34	35	36	37	38					
FICA TAXES		WAGE PERIOD		SOC WAGE YTD		SOC TAX YTD		MED WAGE YTD		MED TAX YTD		STATE TAXES		ST	WAGE PERIOD	WAGE YTD	M/S	EX	TAX YTD		
		39		40		41		42		43		44		45	46	47	48	49			
PAY DATA		BAQ TYPE	BAQ DEPN	VHA ZIP	RENT AMT	SHARE	STAT	JFTR	DEPNS	2D JFTR	BAS TYPE	CHARITY YTD		TPC	PACIDN						
		50	51	52	53	54	55	56	57	58	59	60		61	62						
Thrift Savings Plan (TSP)		BASE PAY RATE		BASE PAY CURRENT		SPEC PAY RATE		SPEC PAY CURRENT		INC PAY RATE		INC PAY CURRENT		BONUS PAY RATE		BONUS PAY CURRENT					
		63		64		65		66		67		68		69		70					
		CURRENTLY NOT USED				TSP YTD DEDUCTIONS				DEFERRED				EXEMPT				CURRENTLY NOT USED			
		71				72				73				74				75			
REMARKS		YTD ENTITLE				YTD DEDUCT															
		76				77				78											

www.dfas.mil

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Fields 1 - 9 contain the identification portion of the LES.

- 1 NAME:** The member's name in last, first, middle initial format.
- 2 SOC. SEC. NO.:** The member's Social Security Number.
- 3 GRADE:** The member's current pay grade.
- 4 PAY DATE:** The date the member entered active duty for pay purposes in YYMMDD format. This is synonymous with the Pay Entry Base Date (PEBD).
- 5 YRS SVC:** In two digits, the actual years of creditable service.
- 6 ETS:** The Expiration Term of Service in YYMMDD format. This is synonymous with the Expiration of Active Obligated Service (EAOS).
- 7 BRANCH:** The branch of service, i.e., Navy, Army, Air Force.
- 8 ADSN/DSSN:** The Disbursing Station Symbol Number used to identify each disbursing/finance office.
- 9 PERIOD COVERED:** This is the period covered by the individual LES. Normally it will be for one calendar month. If this is a separation LES, the separation date will appear in this field.

Fields 10 through 24 contain the entitlements, deductions, allotments, their respective totals, a mathematical summary portion, date initially entered military service, and retirement plan.

10 ENTITLEMENTS: In columnar style the names of the entitlements and allowances being paid. Space is allocated for 15 entitlements and/or allowances. If more than 15 are present the overflow will be printed in the remarks block. Any retroactive entitlements and/or allowances will be added to like entitlements and/or allowances.

11 DEDUCTIONS: The description of the deductions are listed in columnar style. This includes items such as taxes, SGLI, mid-month pay and dependent dental plan. Space is allocated for 15 deductions. If more than 15 are present the overflow will be printed in the remarks block. Any retroactive deductions will be added to like deductions.

12 ALLOTMENTS: In columnar style the type of the actual allotments being deducted. This includes discretionary and non-discretionary allotments for savings and/or checking accounts, insurance, bonds, etc. Space is allocated for 15 allotments. If a member has more than one of the same type of allotment, the only differentiation may be that of the dollar amount.

13 +AMT FWD: The amount of all unpaid pay and allowances due from the prior LES.

14 + TOT ENT: The figure from Field 20 that is the total of all entitlements and/or allowances listed.

15 -TOT DED: The figure from Field 21 that is the total of all deductions.

16 -TOT ALMT: The figure from Field 22 that is the total of all allotments.

17 = NET AMT: The dollar value of all unpaid pay and allowances, plus total entitlements and/or allowances, minus deductions and allotments due on the current LES.

18 - CR FWD: The dollar value of all unpaid pay and allowances due to reflect on the next LES as the +AMT FWD.

19 = EOM PAY: The actual amount of the payment to be paid to the member on end-of-month payday.

20 - 22 TOTAL: The total amounts for the entitlements and/or allowances, deductions and allotments respectively.

23 DIEMS: Date initially entered military service: This date is used SOLELY to indicate which retirement plan a member is under. For those members with a DIEMS date prior to September 8, 1980, they are under the FINAL PAY retirement plan. For those members with a DIEMS date of September 8, 1980 through July 31, 1986, they are under the HIGH-3 retirement plan. For those members with a DIEMS date of August 1, 1986 or later, they were initially under the REDUX retirement plan. This was changed by law in October 2000, when they were placed under the HIGH-3 plan, with the OPTION to return to the REDUX plan. In consideration of making this election, they become entitled to a \$30,000 Career Service Bonus. The data in this block comes from PERSCOM. DFAS is not responsible for the accuracy of this data. If a member feels that the DIEMS date shown in this block is erroneous, they must see their local servicing Personnel Office for corrective action.

24 RET PLAN: Type of retirement plan, i.e. Final Pay, High 3, REDUX; or CHOICE (CHOICE reflects members who have less than 15 years service and have not elected to go with REDUX or stay with their current retirement plan).

Fields 25 through 32 contains leave information.

25 BF BAL: The brought forward leave balance. Balance may be at the beginning of the fiscal year, or when active duty began, or the day after the member was paid Lump Sum Leave (LSL).

26 ERND: The cumulative amount of leave earned in the current fiscal year or current term of enlistment if the member reenlisted/extended since the beginning of the fiscal year. Normally increases by 2.5 days each month.

27 USED: The cumulative amount of leave used in the current fiscal year or current term of enlistment if member reenlisted/extended since the beginning of the fiscal year.

28 CR BAL: The current leave balance as of the end of the period covered by the LES.

29 ETS BAL: The projected leave balance to the member's Expiration Term of Service (ETS).

30 LV LOST: The number of days of leave that has been lost.

31 LV PAID: The number of days of leave paid to date.

32 USE/LOSE: The projected number of days of leave that will be lost if not taken in the current fiscal year on a monthly basis. The number of days of leave in this block will decrease with any leave usage.

Fields 33 through 38 contain Federal Income Tax Withholding (FITW) information.

33 WAGE PERIOD: The amount of money earned this LES period that is subject to Federal Income Tax Withholding.

34 WAGE YTD: The money earned year-to-date that is subject to FITW.

35 M/S. The marital status used to compute the FITW.

36 EX: The number of exemptions used to compute the FITW.

37 ADD'L TAX: The member specified additional dollar amount to be withheld in addition to the amount computed by the Marital Status and Exemptions.

38 TAX YTD: The cumulative total of FITW withheld throughout the calendar year.

Fields 39 through 43 contain Federal Insurance Contributions Act (FICA) information.

39 WAGE PERIOD: The amount of money earned this LES period that is subject to FICA.

40 SOC WAGE YTD: The wages earned year-to-date that are subject to FICA.

41 SOC TAX YTD: Cumulative total of FICA withheld throughout the calendar year.

42 MED WAGE YTD: The wages earned year-to-date that are subject to Medicare.

43 MED TAX YTD: Cumulative total of Medicare taxes paid year-to-date.

Fields 44 through 49 contain State Tax information.

44 ST: The two digit postal abbreviation for the state the member elected.

45 WAGE PERIOD: The amount of money earned this LES period that is subject to State Income Tax Withholding (SITW).

46 WAGE YTD: The money earned year-to-date that is subject to SITW.

47 M/S. The marital status used to compute the SITW.

48 EX: The number of exemptions used to compute the SITW.

49 TAX YTD: The cumulative total of SITW withheld throughout the calendar year.

Fields 50 through 62 contain additional Pay Data.

50 BAQ TYPE: The type of Basic Allowance for Quarters being paid.

51 BAQ DEPN: A code that indicates the type of dependent. A= Spouse, C=Child, D=Parent, G=Grandfathered, I=Member married to member/own right, K=Ward of the court, L=Parents in Law, R=Own right, S=Student (age 21-22), T=Handicapped child over age 21, W=Member married to member, child under 21

52 VHA ZIP: The zip code used in the computation of Variable Housing Allowance (VHA) if entitlement exists.

53 RENT AMT: The amount of rent paid for housing if applicable.

54 SHARE: The number of people with which the member shares housing costs.

55 STAT: The VHA status; i.e., accompanied or unaccompanied.

56 JFTR: The Joint Federal Travel Regulation (JFTR) code based on the location of the member for Cost of Living Allowance (COLA) purposes.

57 DEPNS: The number of dependents the member has for VHA purposes.

58 2D JFTR: The JFTR code based on the location of the member's dependents for COLA purposes.

59 BAS TYPE: An alpha code that indicates the type of Basic Allowance for Subsistence (BAS) the member is receiving, if applicable. This field will be blank for officers.

- a. o B - Separate Rations
- b. o C - TDY/PCS/Proceed Time
- c. o H - Rations-in-Kind not available
- o K - Rations under emergency conditions

60 CHARITY YTD: The cumulative amount of charitable contributions for the calendar year.

61 TPC: This field is not used by the active component of any branch of service.

62 PACIDN: The activity Unit Identification Code (UIC). This field is currently used by Army only.

Fields 63 through 75 contain Thrift Savings Plan (TSP) information/data.

63 BASE PAY RATE: The percentage of base pay elected for TSP contributions.

64 BASE PAY CURRENT: Reserved for future use.

65 SPECIAL PAY RATE: The percentage of Specialty Pay elected for TSP contribution.

66 SPECIAL PAY CURRENT: Reserved for future use.

67 INCENTIVE PAY RATE: Percentage of Incentive Pay elected for TSP contribution.

68 INCENTIVE PAY CURRENT: Reserved for future use.

69 BONUS PAY RATE: The percentage of Bonus Pay elected towards TSP contribution.

70 BONUS PAY CURRENT: Reserved for future use.

71 Reserved for future use.

72 TSP YTD DEDUCTION (TSP YEAR TO DATE DEDUCTION): Dollar amount of TSP contributions deducted for the year.

73 DEFERRED: Total dollar amount of TSP contributions that are deferred for tax purposes. **74 EXEMPT:** Dollar amount of TSP contributions that are reported as tax exempt to the Internal Revenue Service (IRS).

75 Reserved for future use

76 REMARKS: This area is used to provide you with general notices from varying levels of command, as well as the literal explanation of starts, stops, and changes to pay items in the entries within the “ENTITLEMENTS”, “DEDUCTIONS”, and “ALLOTMENTS” fields.

77 YTD ENTITLE: The cumulative total of all entitlements for the calendar year.

78 YTD DEDUCT: The cumulative total of all deductions for the calendar year

Helpful websites

Navy Pay and Benefits

www.public.navy.mil/bupers-npc/career/PayAndBenefits/Pages/default2.aspx

BAH Rates

<https://www.defensetravel.dod.mil/site/bah.cfm>

MilCents (sponsored by MFAN-Military Family Advocacy network)

<https://militaryfamilyadvisorynetwork.org/milcents/>

Takeaways

1. Create a family budget
2. Your pay is your responsibility
3. Check your credit report and maintain a good credit score.
4. It is never too early to plan for your retirement.