

ARMY TRANSITION SPENDING PLAN (Budget, Page 1)

SPONSOR'S NAME:							UNIT:						
SSN:							Duty Phone:						
ENTITLEMENTS			MONTHLY EXPENSES										
	Sponsor	Spouse	Housing			Food			Transportation		Personal Expenses		
Base Pay			Rent/Mortgage			Groceries			Gas			Self	
Separate Rations (BAS)/FERS			Electricity/Water/Garbage			Lunch			Car Insurance 1			Spouse	
Quarters Allowance (LQA)			Stairwell Fees			School Lunches			Car Insurance 2			Children	
Cost of Living Allowance (COLA)			Telephone 1			Shoppette			Car Payment 1			Child Care	
Overseas Housing Allowance (OHA)			Telephone 2			Other			Car Payment 2			School Expenses	
Other Allowances/Retirement			Cable						Repairs			Pets	
Other Income/Rent/			Other/Rent						Other			Other	
GROSS PAY			Total			Total			Total		Total		
	\$	\$	\$ -			\$ -			\$ -		\$ -		
	\$ -												
COLLECTIONS			Medical Care			Recreational Expenses			Other Expenses		Creditor Payments		
Federal Tax						Books Tuition			Court-Ordered Payments				
FICA-Social Security						Videos/Stereo			Charitable Contributions				
FICA-Medicare			Dentist			Computer Equipment			Child Care - Non-Work				
State Tax			Health Insurance/FEGLI			Alcohol/Cigarettes			Other/Training				
FEGLI			Other			Meals Out							
AFRH/USSH						Other							
AER/Red Cross Loan													
Indebtedness (1)													
Advance Pay			Total			Total			Total		Total		
			\$ -			\$ -			\$ -		\$ -		
TSP			<u>Debt to Income Ratio</u>			TOTAL EXPENSES			\$		NOTE: Creditor Payments are NOT included in Total Expenses		
Discretionary/Stock/Bonds/MF/IRA						DISPOSABLE INCOME			\$				
FERS/Kids/Kids						CREDITOR PAYMENTS			\$				
TOTAL COLLECTIONS			<15% - OK to add credit (with caution)			SURPLUS/DEFICIT -- BALANCE			\$				
	\$	\$	15-20% - Fully extended			-			-				
	\$ -		21-30% - Overextended			-			-				
NET PAY			>30% - Seek help immediately			-			-				
	\$	-	-			-			-				

Financial Planning for Transition - Post Service Budget

Purpose of the Financial Planning Seminar:

Provides information and tools needed to prepare a post-separation plan/budget, identify financial responsibilities, obligations and goals after separation from the military. The associated CRS is the Post-Service budget.

How to Complete the Post Service Budget:

This needs to be a POST service budget. Meaning, once you have transitioned from active duty and no longer receive an army paycheck. How do you plan to cover your expenses? Do you have a plan for employment? Since this is a budget for life after the military, you may not use your LES. If you have joined the reserves and will be receiving an LES on top of a civilian paycheck, then you may include it in our budget. If you are dual military, you may use your spouse's LES, but please jot down the information in the spouse column of the budget.

Step 1 - Entitlements: In this section, you will fill in any source of income you have. This could be from employment, disability, retirement pay, BAH if you are using your GI Bill, rental properties, child support, alimony, etc....

*If you do not have a job offer yet or simply not sure what you will be doing after the military, go to <https://livingwage.mit.edu>.

Step 2- Collections: You must calculate your taxes in this section. You may calculate how much in taxes you'll be paying by going to www.smartasset.com using the Income Tax Calculator. Here you should also indicate if you are contributing pre-tax dollars to your TSP or other retirement accounts.

Step 3- Housing: We must see that you have a plan for housing. Even if they are living with family or friends and will not be paying rent, you must indicate that by leaving a note on the bottom of the spreadsheet.

Step 4- Medical Care: If you will no longer receive Tricare, you will need to research how much medical insurance will cost in the civilian world, and put that cost in under medical care. You may obtain a free quote at www.healthcare.gov/see-plans. If you will be utilizing Tricare at no monthly cost, then you will need to indicate this at the bottom of the spreadsheet.

Step 5- Monthly Expenses: All other categories of monthly expenses should be filled out i.e. food, transportation, personal, recreational, and any other expenses. Not every field needs to be filled out if it is not applicable. Car payments are calculated in this section.

Step 6- Creditor Payments: Here you will indicate if you have any debt i.e. credit card payments, student loans, personal loans, etc.... You will just put the monthly payment here not the total amount owed.

Step 7 – Balance: Now you may calculate your total expenses for the month. Disposable income is the net pay minus the total expenses. Creditor payments is copied over from where it was previously calculated. Then the balance is calculated by taking disposable income minus creditor payments. The budget will only be acceptable if there is a surplus. A deficit indicates that your current financial situation is not sustainable, as you are spending more than they are making.

Keep in mind this is a monthly budget so all information should be monthly totals.

Once the budget has been completed it needs to be emailed to arthur.L.mccann2.ctr@mail.mil and/or melissa.k.crutchfield.ctr@mail.mil. It takes 24-48 hours to receive approval, so this needs to be done prior to the capstone appointment.