



# IHC Financial Group, Inc. Military Benefits Workbook

2010-2011 Edition



## Servicemembers Group Life Insurance

Servicemembers Group Life Insurance (SGLI) is a Veterans Affairs (VA) program that provides low cost group life insurance to members of the Uniformed Services, including commission officers of the Public Health Service and the National Oceanic and Atmospheric Administration, cadets and midshipmen of the service academies. Members are automatically insured under SGLI for the maximum amount of **\$400,000**, unless an election is filed reducing the insurance by \$50,000 increments, or canceling it entirely.

In addition, the SGLI coverage now includes **Traumatic Injury Protection**. This coverage provides servicemembers protection against loss due to traumatic injuries and is designed to provide financial assistance to members so their loved ones can be with them during their recovery from their injuries. The coverage ranges from **\$25,000** to **\$100,000**, depending on the nature of the injury.

### SGLI Premiums

As of July 2008, the SGLI Premium Rates are 6.5 cents per \$10,000, or **\$27/month** for the maximum of \$400,000. This includes a mandatory \$1 charge for TSGLI.

The premium for part-time coverage is \$28 per year for \$400,000 of coverage. Members of the Individual Ready Reserve (IRR) will be charged \$1.00 for \$400,000 of coverage for 1-day call-ups. The SGLI coverage may be converted, upon release from active duty, active duty for training, initial active duty for training or upon separation from the Ready Reserve, to Veterans' Group Life Insurance (VGLI), if desired, to a commercial life insurance policy effective at the end of the 120-day SGLI extension period.

### Family Servicemembers' Group Life Insurance

Family Servicemembers' Group Life Insurance (FSGLI) is a program extended to the spouses and dependent children of members insured under the SGLI program. FSGLI provides up to a maximum of **\$100,000** of insurance coverage for spouses, (not to exceed the amount of SGLI the insured member has in force), and **\$10,000** for dependent children. Spousal coverage is issued in increments of \$10,000, at a monthly cost ranging from \$0.55 to \$5.20 per increment.

### SGLI Family Rates

Amount of Insurance	Age of Spouse						
	Under 35	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 and Over
\$100,000	\$5.50	\$7.00	\$9.00	\$14.00	\$27.00	\$40.00	\$52.00
\$90,000	\$4.95	\$6.30	\$8.10	\$12.60	\$24.30	\$36.00	\$46.80
\$80,000	\$4.40	\$5.60	\$7.20	\$11.20	\$21.60	\$32.00	\$41.60
\$70,000	\$3.85	\$4.90	\$6.30	\$9.80	\$18.90	\$28.00	\$36.40
\$60,000	\$3.30	\$4.20	\$5.40	\$8.40	\$16.20	\$24.00	\$31.20
\$50,000	\$2.75	\$3.50	\$4.50	\$7.00	\$13.50	\$20.00	\$26.00
\$40,000	\$2.20	\$2.80	\$3.60	\$5.60	\$10.80	\$16.00	\$20.80
\$30,000	\$1.65	\$2.10	\$2.70	\$4.20	\$8.10	\$12.00	\$15.60
\$20,000	\$1.10	\$1.40	\$1.80	\$2.80	\$5.40	\$8.00	\$10.40
\$10,000	\$0.55	\$0.70	\$0.90	\$1.40	\$2.70	\$4.00	\$5.20

### SGLI Worksheet

Servicemember's Coverage \_\_\_\_\_

TSGLI Coverage \_\_\_\_\_

Spouse \_\_\_\_\_

Child \_\_\_\_\_

Total Coverage \_\_\_\_\_

Total Cost \_\_\_\_\_

### \* TSGLI \*

Traumatic Servicemembers Group Life Insurance (TSGLI) is an entitlement that members of the Uniformed Services may receive if they are covered by SGLI, and they sustain an injury that results in 15 days of continuous in-patient hospital care, or certain severe losses, such as loss of a limb, sensory loss, blindness, severe burns, and inability to perform activities of daily living. All servicemembers that have a part-time or full-time SGLI are automatically covered by TSGLI while in the service. TSGLI coverage will pay a benefit from **\$25,000** to **\$100,000**, depending on eligibility and the severity of the loss resulting from traumatic injury.

## Veterans' Group Life Insurance

Veterans' Group Life Insurance (VGLI) is a life insurance program which allows servicemembers to convert their SGLI coverage to renewable term insurance. Members with full-time SGLI coverage are eligible for VGLI upon release from service. VGLI, like SGLI, is overseen by the Department of Veterans Affairs, but is administered by the Office of Servicemembers' Group Life Insurance.

### Coverage Amounts

VGLI coverage is issued in multiples of **\$10,000** up to a maximum of **\$400,000**. A servicemember's VGLI coverage amount cannot exceed the amount of SGLI they had in force at the time of separation from service.

### Eligibility for VGLI

Full-time coverage is available for the following:

- A SGLI insured servicemember who is being released from active duty or active duty for training under a call or order to duty that does not specify a period of less than 31 days,
- A member of the Ready Reserves insured under SGLI who is being separated or released from a drilling assignment,
- A member assigned to the IRR or to the Inactive National Guard (ING) of a branch of service,
- A member of the Public Health Service (PHS) or Inactive Reserve Corps (IRC),
- A member who had part-time SGLI and who while performing duty or traveling directly to or from duty, suffered an injury or disability which renders him/her uninsurable at standard premium rates

### How to Apply for VGLI

You should receive an application from OSGLI within approximately 45 to 60 days following your separation from service. You have **one year and 120 days** from your date of separation from service to apply for VGLI. After this, you are no longer eligible for VGLI. There are different criteria for applying within 120 days from your date of separation, or after 120 days from your date of separation.

### Payment of Premiums

Once your VGLI application is approved, the OSGLI will send you, the insured, a certificate of coverage, and you will begin receiving bills on a monthly basis (unless you are a retiree and choose to have the premium payments taken directly from your retirement pay). VGLI premiums are based upon the separating member's age and increase as each new age group is attained.

### Current Monthly Premium Rates, Effective July 1, 2008

Amount of Insurance	Age 29 and Below	Age 30 - 34	Age 35 - 39	Age 40 - 44	Age 45 - 49	Age 50 - 54	Age 55 - 59	Age 60 - 64	Age 65 - 69	Age 70 - 74	Age 75 and Over
\$400,000	\$32.00	\$40.00	\$52.00	\$68.00	\$88.00	\$144.00	\$268.00	\$432.00	\$600.00	\$900.00	\$1,800.00
\$350,000	\$28.00	\$35.00	\$45.50	\$59.50	\$77.00	\$126.00	\$234.50	\$378.00	\$525.00	\$787.50	\$1,575.00
\$300,000	\$24.00	\$30.00	\$39.00	\$51.00	\$66.00	\$108.00	\$201.00	\$324.00	\$450.00	\$675.00	\$1,350.00
\$250,000	\$20.00	\$25.00	\$32.50	\$42.50	\$55.00	\$90.00	\$167.50	\$270.00	\$375.00	\$562.50	\$1,125.00
\$200,000	\$16.00	\$20.00	\$26.00	\$34.00	\$44.00	\$72.00	\$134.00	\$216.00	\$300.00	\$450.00	\$900.00
\$150,000	\$12.00	\$15.00	\$19.50	\$25.50	\$33.00	\$54.00	\$100.50	\$162.00	\$225.00	\$337.50	\$675.00
\$100,000	\$8.00	\$10.00	\$13.00	\$17.00	\$22.00	\$36.00	\$67.00	\$108.00	\$150.00	\$225.00	\$450.00

## Veterans' Group Life Insurance

### VGLI Worksheet

Age	VGLI Coverage Amount	Private Insurance	
		Option A	Option B
30			
35			
40			
45			
50			
55			
60			
65			
70			
<b>Total Cost:</b>			
Over 20 Years:			
Over 30 Years:			

### Dependency and Indemnity Compensation

Dependency and Indemnity Compensation (DIC) is a monthly benefit paid to eligible survivors of certain deceased veterans.

#### Eligible Survivors

DIC is a monthly benefit paid to eligible survivors of the following:

- Military service member who died while on active duty
- Veteran whose death resulted from a service related injury or disease
- Veteran whose death resulted from a non service-related injury or disease, and who was receiving, or was entitled to receive, VA Compensation for service-connected disability that was rated as totally disabling
  - for at least 10 yrs immediately before death
  - since the veteran's release from active duty and for at least five years immediately preceding death
  - for at least one year before death if the veteran was a former prisoner of war who died after September 30, 1999.

from the period of military service in which the disease or injury that caused the veteran's death began or was aggravated, or,

- Was married to the veteran for at least one yr, or,
- Had a child with the veteran, or,
- Cohabited with the veteran continuously until the veteran's death or, if separated, was not at fault for the separation, or,
- Is not currently remarried

**Note:** A surviving spouse who remarries on or after December 16, 2003, and on or after attaining age 57, is entitled to continue to receive DIC. The surviving child is eligible if he or she is unmarried AND under the age of 18, or between the ages of 18 and 23, and attending school. Certain helpless adult children are also entitled to DIC.

#### Monthly Rate

Dependency and indemnity compensation is paid to a surviving spouse at the monthly rate of **\$1,154**.

**Note:** If the veteran's death was before January 1, 1993, please refer to the DVA DIC Payment Tables.

#### DIC Eligibility

The surviving spouse is eligible if he or she:

- Validly married the veteran before January 1, 1957, or,
- Was married to a service member who died on active duty, or,
- Married the veteran within 15 years of discharge

#### Additional Allowances

- Add **\$246** if, at the time of the veteran's death, the veteran was in receipt of or entitled to receive compensation for a service-connected disability rated totally disabling (including a rating based on individual unemployability) for a continuous period of at least eight years immediately

## Dependency and Indemnity Compensation

preceding death, AND the surviving spouse was married to the veteran for those same eight years

- Add **\$286** per child for each dependent child under age 18
- Add **\$286** if the surviving spouse is entitled to aid and attendance (A&A)
- Add **\$135** if the surviving spouse is entitled to Housebound

Whenever there is no surviving spouse of a deceased veteran entitled to DIC, DIC shall be paid in equal shares to the children of the deceased veteran at the following monthly rates, divided by the number of children:

- One child, **\$488**, Two children, **\$701**, Three children, **\$915**, More than three children, **\$915** plus **\$174** for each child in excess of three

## Formulas for Computing Retirement Pay

Several factors determine your military retirement pay. The following formulas should help you understand how your military retirement pay is calculated:

1. If you first entered a uniformed service\* **between September 8, 1980 and July 31, 1986**: Compute your retired pay using the average basic pay during your three highest paid years (36 months). This is called the **High 36**. Under the High 36 system, you get **50%** for **20 years** of service up to a maximum of **100%** for **40 years**.\*\*

“High 36”	x 2.5%	x Yrs of Service	= Total
\$ _____	\$ _____	_____	\$ _____

2. If you first entered a uniformed service\* **on or after August 1, 1986**, you have the option to take either the **High 36** or the **CBS/Redux Retirement**:

- **High 36 Option:** Compute your retired pay using the average basic pay for your three highest paid years (36 months). This is called the **High 36**. Under the High 36 system you get **50%** for **20 years** of service, up to a maximum of **100%** for **40 years**.\*\*
- **CBS/Redux Option:** Compute your retired pay by multiplying your High 36 by **2%** per year for the first **20 years**, and then **3.5%** for each additional year passed 20. This means you get **40%** of your High 36 for **20 years**, but up to a maximum of **100%** for **40 years**.\*\*

“High 36”	x 2% (First 20)	+ 3.5%	x Each Add'l Yr	= Total
\$ _____	\$ _____	\$ _____	_____	\$ _____

\* Uniformed services include the National Oceanic and Atmospheric Administration (NOAA), and the U.S. Public Health Service (USPHS).

\*\* **Note:** Recent changes now allow retirement pay to reach up to 100% of the basic monthly pay for those who serve 40 years.

Servicemembers on the Temporary Disability Retired List (TDRL) will receive no less than 50% of their basic pay or average high three earnings years. A servicemember may not receive temporary disability retired pay for longer than five years from the date they were placed on the TDRL.

## Retirement Factor Table

High 3 Plans		CSB / Redux Plan	
Yrs of Service	Factor	Yrs of Service	Factor
20	50%	20	40%
21	52.50%	21	43.50%
22	55%	22	47%
23	57.50%	23	50.50%
24	60%	24	54%
25	62.50%	25	57.50%
26	65%	26	61%
27	67.50%	27	64.50%
28	70%	28	68%
29	72.50%	29	71.50%
30	75%	30	75%

## Survivor Benefit Plan

The Survivor Benefit Plan (SBP) is an insurance plan that will pay your surviving spouse a monthly payment (annuity) to help make up for the loss of your retirement income. This plan is designed to protect your survivors against the risks of your early death, your survivor outliving the benefits, and inflation.

**Note:** Effective October 1, 2008, SBP participants who reach 70 years of age and have made 360 payments (30 years) will no longer have to pay premiums for continued SBP coverage and will be placed in "Paid-up SBP" status.

### How SBP Works

At retirement, full basic SBP for your spouse and children will take effect **automatically** if you make no other valid election. You may not reduce or decline spouse coverage without your spouse's written consent. This means that your spouse's signature is required. You may choose coverage for a former spouse or, if you have no spouse or children, you may be able to cover an "insurable interest", such as a business partner or parent.

If you elect to participate in the SBP, you will be required to pay a monthly premium. SBP premiums and benefits are based on the **base amount**, or benefit level that you elect. Your base amount can be any amount from full coverage, down to as little as \$300 a month. Full coverage is based on your full retired pay, which means that your spouse will receive **55%** of your retirement pay. If you select lesser coverage, your spouse will receive 55% of your elected base amount.

**Note:** A surviving spouse's SBP annuity is no longer reduced when they reach the age of 62, and become

eligible for Social Security. The Social Security offset was phased out in 2008, thus eliminating the need for the SSBP.

### Coverage Available

There are several categories of beneficiaries that a member may choose from to provide an annuity under SBP. The categories are as follows:

- **Spouse Only**
- **Spouse (or Former Spouse) and Child**
- **Child Only**
- **Former Spouse**
- **Person with an Insurable Interest**

### Coverage Available - Spouse Only

Eligibility for this category requires that a surviving spouse:

- Was married to the retiree at the time of his/her enrollment
- If not married at time of enrollment, was married to the retiree for at least one year prior to the retiree's death
- If none of the above, was the parent of issue by that marriage

Spouse coverage applies not only to the spouse a member has at the time of enrollment, but also automatically to any subsequent spouse the member might acquire, unless the member elects to decline coverage for a subsequent spouse within one year of the date of marriage. Concurrence of the subsequent spouse is not required, but that spouse will be notified of the member's declination.

## Survivor Benefit Plan

### Coverage Available - Spouse (or Former) and Child

SBP protection under this category is expanded to cover an eligible child or children if there is no surviving spouse, or if a surviving spouse subsequently dies or becomes ineligible to receive benefits due to remarriage before the age of 55. Thus, if there is a divorce or if the spouse dies before the retiree, the full SBP annuity will be paid to the eligible surviving child or children in the same manner as if the member had elected "Child Only" coverage (explained below).

### Coverage Available - Child Only

This option provides an annuity only for dependent children, regardless of whether a member is married or not at the time of enrollment. The member's spouse, however, must concur with a child only election. Children remain beneficiaries until the age of 18, or age 22 if a full-time, unmarried student. Children mentally or physically incapable of self-support remain eligible, while unmarried, for as long as the incapacitation exists.

### Coverage Available - Former Spouse

A member who has a former spouse upon becoming eligible to elect a survivor annuity may elect coverage for a former spouse. If the member has more than one former spouse, the member must specify which former spouse is being covered. An election for a former spouse prevents payment of an annuity to a current spouse.

### Coverage Available - Person w/ Insurable Interest

A member who does not have a spouse or dependent child when eligible to make a program election may elect to provide coverage for a person with an insurable interest in the member.

### Inflation Protection

Your SBP annuity is protected from inflation. Each year, your retired pay gets a Cost of Living Adjustment (COLA), or adjustments for inflation. Your base amount, premiums, and annuity payments will also receive COLA. These increases are determined by the previous year's Consumer Price Index (CPI), and averages approximately **2.5%**.

### Spouse Cost and Benefits

Spouse coverage is the primary option of SBP. It is designed to give you a way to continue part of your retired pay to your surviving spouse after you die.

The SBP annuity is determined by the base amount you elect. The base amount may range from a minimum of **\$300** up to a maximum of full retired pay. The annuity is **55%** of the base. Also, the base amount and the payments to the surviving spouse will

generally increase at the same time and by the same percentage that COLA is made to retired pay.

Your surviving spouse may remarry after age **55** and continue to receive SBP payments for life. If remarried before 55, SBP payments will stop, but may be resumed if the marriage later ends due to death or divorce.

### Spouse Cost (Premiums)

SBP premiums for spouse coverage are as follows:

1. **6.5%** of your chosen base amount, or if less,
2. **2.5%** of the first \$595 of your elected base amount (referred to as the **threshold amount**), plus **10%** of the remaining base amount

The threshold amount was **\$595** as of January 1, 2004. The threshold amount will increase at the same time and by the same percentage as future active duty basic pay.

If you became a member of a uniformed service on or after **March 1, 1990**, and you are retiring for length of service (not disability), SBP costs will be calculated only under the formula in #1 listed above.

The table on the following page lists the costs associated with several base amount options and the benefits your spouse will receive based on these options.

### Tax Savings

Monthly SBP costs are not included in your taxable federal income. The true cost for SBP is thus less than the amount deducted from retired pay because less federal tax will be paid. This also applies to most state income taxes. SBP payments to survivors are taxable.

### Loss of Spouse

If your spouse dies first or if you get divorced, SBP costs will stop once you notify the pay center. In divorce cases, spouse coverage may be converted to former spouse coverage. In some instances of divorce, conversion of the coverage to provide for the former spouse may be required by court order.

### Spouse and Children Cost and Benefits

Child coverage may be added to spouse or former spouse coverage. In this case, SBP payments will be made to the children only if your surviving spouse or former spouse remarries before age 55 or dies. Eligible children equally divide benefits equal to **55%** of the base amount.

When you include child coverage with former spouse coverage, only your children of that former spouse are covered. Any other children will not be paid benefits under this option. In the child only option, or when

## Survivor Benefit Plan

you include children with spouse (not former spouse), all of your children are covered.

### Spouse and Children Cost (Premiums)

The cost of child coverage that is in conjunction with spouse or former spouse coverage is the sum of spouse/former spouse coverage, and an additional cost for the child. The additional child portion of the cost is based upon the following factors:

- Your age
- Your spouse/former spouse's age
- Your youngest covered child's age

The following tables show the monthly cost of the child portion of spouse (former spouse) and child coverage per \$100 of covered retired pay. These tables show costs for differing ages of the youngest child. This cost is in addition to the cost for your spouse (former spouse) coverage.

#### Youngest Child Age 5

Your Age	Spouse's Age			
	35	40	45	50
40	6.1 cents	4.5 cents	3.3 cents	3.2 cents
45	9.1 cents	6.6 cents	5.0 cents	4.7 cents
50	15.7 cents	11.4 cents	8.5 cents	8.0 cents

#### Youngest Child Age 10

Your Age	Spouse's Age			
	35	40	45	50
40	3.1 cents	2.2 cents	2.4 cents	1.8 cents
45	4.5 cents	3.2 cents	2.4 cents	1.8 cents
50	8.0 cents	5.6 cents	4.2 cents	3.2 cents

#### Youngest Child Age 15

Your Age	Spouse's Age			
	35	40	45	50
40	1.1 cents	0.8 cents	0.5 cents	0.4 cents
45	1.5 cents	1.1 cents	0.8 cents	0.6 cents
50	2.7 cents	2.0 cents	1.4 cents	1.1 cents

### Benefit Payments

Under this option, SBP payments will be made to the children only if your surviving spouse or former spouse remarries before age 55, or dies. Eligible children equally divide benefits equal to **55%** of the base amount.

### Child Only Cost and Benefits

SBP was designed to give income protection not only to your spouse, but also to your children until they become self-supporting (until they are no longer dependents). Child coverage may be elected with or without spouse (former spouse) coverage.

#### Cost per \$100 of Child Only Coverage

Your Age	Child's Age			
	6	10	14	17
35	\$0.68	\$0.46	\$0.29	\$0.18
40	\$0.52	\$0.33	\$0.18	\$0.11
45	\$0.84	\$0.53	\$0.29	\$0.16
50	\$1.47	\$0.94	\$0.53	\$0.31

### Persons w/ Insurable Interest - Eligible Persons

The insurable interest option is available only if you are unmarried with either no dependent children or one dependent child. You may elect insurable interest coverage for that child regardless of the child's age or dependency.

### Persons w/ Insurable Interest Cost (Premiums)

The monthly cost is **10%** of retired pay plus **5%** more for each full five years the person is covered is younger than the retiree. The maximum costs is **40%** of retired pay.

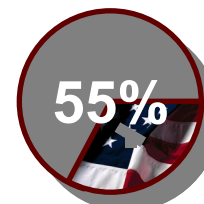
For example, if a retiree is 45 and the person covered is 32, the age difference is 13 years, or two full five year periods. Therefore, the cost percentage of retired pay would be 20%.

If retired pay is \$1,000 per month, then the monthly cost will be 20% of \$1,000, or \$200.

Active Pay

50% Retirement Pay

55% SBP



## Survivor Benefit Plan

### SBP Benefits and Costs - Spouse Only

Retired Pay Base Amount	Monthly Annuity	Monthly Cost Under Old Plan	Monthly Cost Under New Plan	Private Insurance Option		
				Lump Sum Amount	Monthly Annuity	Monthly Cost
\$300	\$165	\$7.50*	\$19.50			
\$675	\$371	\$16.87*	\$43.87			
\$800	\$440	\$29.37*	\$52.00			
\$1,000	\$550	\$49.37*	\$65.00			
\$1,200	\$660	\$69.37*	\$78.00			
\$1,446	\$795	\$94.00	\$94.00			
\$1,500	\$825	Participation cost at a base amount of \$1,446 is basically the same under both the old and new plans. If a member participates at a retired base amount above \$1,446, the monthly premium is calculated using the new plan which provides a lower cost.	\$97.50			
\$1,600	\$880		\$104.00			
\$1,800	\$990		\$117.00			
\$2,000	\$1,100		\$130.00			
\$2,200	\$1,210		\$143.00			
\$2,400	\$1,320		\$156.00			
\$2,600	\$1,430		\$169.00			
\$3,000	\$1,650		\$195.00			
\$3,400	\$1,870		\$221.00			
\$3,800	\$2,090		\$247.00			
\$4,200	\$2,310		\$273.00			
\$4,600	\$2,530		\$299.00			
\$5,000	\$2,750		\$325.00			
\$6,000	\$3,300		\$390.00			
\$7,000	\$3,850	\$455.00				

\* The cost under the "old plan" is lower than the cost under the "new plan"; therefore, the "old plan" cost will be the premium paid.

### Benefit Payments

The monthly SBP payment to an insurable interest person is equal to **55%** of the gross retired pay (the base amount is always the gross retired pay), less SBP cost of coverage. Payments are increased by COLA at the same time and by the same percentage as retired pay is increased.

Continuing our example, if retired pay is \$1,000 per month, and the monthly cost is 20% of \$1,000, or \$200:

- The monthly benefit will be 55% of the remaining \$800 of retired pay (\$1,000 - \$200)
- Thus, the benefit amount will be \$440 per month (0.55 x \$800)

Unlike other coverage categories, you may voluntarily terminate SBP coverage, if the insured is not a former spouse, or change SBP to cover a new spouse or child.

<b>Monthly Retirement Pay (Base Amount)</b>	X	<b>6.5%</b>
\$ _____		\$ _____
<b>Additional Insured</b>		<b>Total Monthly Cost</b>
+	=	
\$ _____		\$ _____
<b>Monthly Retirement Pay (Base Amount)</b>	X	<b>55%</b>
\$ _____		\$ _____
		<b>Monthly SBP Payment</b>
=		\$ _____

## Thrift Savings Plan

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for Federal employees. Congress established the TSP in the Federal Employees' Retirement System Act of 1986. The purpose of the TSP is to provide retirement income. The TSP offers Federal employees the same type of savings and tax benefits that many private corporations offer their employees under "401(k)" plans.

The Federal Retirement Thrift Investment Board administers the TSP and contracts with the U.S. Department of Agriculture's National Finance Center (NFC) to serve as the TSP record keeper.

The Federal Retirement Thrift Investment Board is an independent government agency. The Board consists of five members who serve in a part-time capacity. They are nominated by the President and confirmed by the Senate. The five members of the Board and the Executive Director are required by law to manage the TSP prudently and solely in the interest of the participants and their beneficiaries.

Money in the TSP and earnings on that money cannot be used for any purpose other than providing benefits to participants and their beneficiaries and paying TSP administrative expenses.

### TSP Loan Program - Terms of Loan

- Residential is 1 to 15 years
- General Purpose is 1 to 5 years

### TSP Loan Program - Eligibility

You are eligible for a TSP Loan Program under the following criteria:

- If you are a current employee in a pay status
- Your TSP account must have at least \$1,000 in employee contributions and associated earnings
- Your loan balance must be within limits of federal tax law
- The amount left in your paycheck after the loan payment and other deductions must equal to at least 10% of basic pay
- You must document expenses for the allowed purposes or demonstrate financial hardship
- FERS employees must get spousal consent

### TSP Loan Program - Purposes

- *Purchase of a Primary Residence* - Primary residence includes a house, condominium, townhouse, or mobile home which is not used on a transient basis.
- *General Purpose Loans* - Loans are available for any purpose according to plan guidelines. You may have one general loan and one residential loan from your TSP account at any one time.

- *Financial Hardship* - Participants may also qualify for a hardship loan.

### TSP Withdrawal Options

The TSP provides four basic ways to make withdrawals:

- Have TSP purchase a life annuity
- Receive your TSP funds in a single payment
- Receive your TSP funds in a series of monthly payments
- Transfer or rollover your account to another qualified plan

Approximate Monthly Annuity Payments per \$1,000 of Plan Balance				
Single Life Annuities			Joint Life Annuities	
Age	Life Only	10 Yrs Certain & Life	100% Spouse Same Age	50% Spouse Same Age
50	\$6.10	\$6.00	\$5.60	\$6.10
55	\$6.40	\$6.30	\$5.80	\$6.40
60	\$6.90	\$6.80	\$6.20	\$6.90
65	\$7.60	\$7.30	\$6.60	\$7.60
70	\$8.60	\$8.10	\$7.30	\$8.70
75	\$10.10	\$9.10	\$8.30	\$10.20

### TSP Withdrawal Upon Separation or Retirement

Servicemembers must be separated or retired for 31 or more full calendar days to be eligible to withdraw their account. After the account has been disbursed, the request cannot be changed. However, those receiving a series of monthly payments can request at any time to have the balance of their account paid out in a single payment or change where the payments are sent.

### Form TSP-U-70: Request for Full Withdrawal

Use the TSP-U-70 Form to request an immediate withdrawal of your **entire** account balance from your uniformed services TSP account, to be paid after your service confirms your separation. You should not complete Form TSP-U-70 if:

- Your account balance is less than **\$200**. The TSP will automatically send you a check for the balance of your uniformed services TSP account after your service reports that you have separated.
- You expect to be **rehired** after a break in service of **less than 31 calendar days**. You must be separated from

## Thrift Savings Plan

service for 31 or more days in order to be eligible for a post-employment withdrawal. If you expect to rejoin the uniformed services or join Federal civilian service after a break in service of 31 or more full calendar days, see the withdrawal booklet for information about rehired participants and withdrawal restrictions.

You can request a post-employment withdrawal by completing Form TSP-U-70 and mailing it to TSP, or off of the TSP website. If your request cannot be completed online because additional signatures, information, or documentation is needed or because you want to receive your money via direct deposit, you may print out a partially completed withdrawal request form at the end of your online session. **Note:** Access to the website's post-separation withdrawal request area is not available to you until your service reports your separation to TSP.

For more information on TSP,  
call the Thrift-Line at:  
1-877-968-3778,  
or visit:  
[www.tsp.gov](http://www.tsp.gov)

## Tricare

- **Tricare Prime** - This option is like an HMO, and requires that one specifically enroll in the program (active duty members are enrolled automatically). Enrolled individuals are assigned a Primary Care Provider, which will refer the member to receive specialist care. There is no enrollment fee or cost-sharing for active duty members and family members of active duty.
- **Tricare Extra** - More flexible than Tricare Prime, but could result in additional costs. You do not need to enroll, rather, you would present your ID card to any Authorized Tricare Provider, and receive medical care. Active duty family members pay an annual deductible; after the deductible is paid, Tricare pays 85% of the cost for your office visit, and you pay 15%.
- **Tricare Standard** - Most flexibility, but highest cost. You have the freedom to see any medical provider. There is an annual deductible, and Tricare will pay 80% of your office visit.
- **Tricare for Life** - Enrollment for this program is not needed. There are only monthly Medicare Part B Premium charges. With this program, you see an authorized Medicare Provider and present your ID Card. Tricare will pick up any cost not covered by Medicare.
- **Tricare Plus** - A new program currently undergoing development. It will allow individuals to use Tricare Extra and Tricare for Life benefits at military medical facilities. There are no enrollment fees for this program.

## Free Health Care for Combat Veterans

The Fiscal year 2008 Defense Authorization Act allows free health care to military members who served in combat. To be eligible, members must have served in a combat zone after **November 11, 1998**, and must have received a discharge under conditions that the VA does not classify as dishonorable. Combat veterans who were discharged between November 11, 1998, and who never took advantage of VA's health care system, have until **January 27, 2011**, to qualify for free VA health care. Veterans who take advantage of this five-year window to receive health care can continue to receive care after five years, although they may have to pay co-payments for medical problems unrelated to their military service. Co-payments range from **\$8** for a 30-day supply of prescription medicine to **\$1,024** for the first 90 days of inpatient care each year.

## Veteran Disability Compensation

If you are a military veteran with a service-related disability, you may qualify for over **\$3,100** in monthly benefits. These benefits are paid to veterans who have injuries or diseases that happened while on active duty, or were made worse by active military service. It is also paid to certain veterans disabled from VA health care. These benefits are tax-free.

You may be eligible for Disability Compensation if you have a service-related disability and you were discharged under other than dishonorable conditions. The amount of basic benefit paid ranges from **\$123** to over **\$3,100** per month, depending on your level of disability and number of dependents.

## Veteran Disability Compensation

**Note:** You may be paid additional amounts if:

- You have very severe disabilities or loss of limb(s), you have a spouse, child(ren), or dependent parent(s), you have a seriously disabled spouse

The following tables show the 2009 VA compensation rates for veterans with a disability rating **10%** or higher. These rates are effective as of December 1, 2008.

### Dependents Allowance

In addition, veterans entitled to compensation whose disability is rated as **30%** or more, shall be entitled to additional compensation for dependents as follows (monthly amounts):

#### 10% - 20% (With or Without Dependents)

Percentage	Rate
10%	\$123
20%	\$243

#### 30% - 60% Without Children

Dependent Status	30%	40%	50%	60%
Veteran Alone	\$376	\$541	\$770	\$974
Veteran w/ Spouse Only	\$421	\$601	\$845	\$1,064
Veteran w/ Spouse and & Parent	\$457	\$649	\$905	\$1,136
Veteran w/ Spouse & Two Parents	\$493	\$697	\$965	\$1,208
Veteran w/ One Parent	\$412	\$589	\$830	\$1,046
Veteran w/ Two Parents	\$448	\$637	\$890	\$1,118
Additional for A/A Spouse*	\$40	\$54	\$68	\$81

#### 70% - 100% Without Children

Dependent Status	70%	80%	90%	100%
Veteran Alone	\$1,228	\$1,427	\$1,604	\$2,673
Veteran w/ Spouse Only	\$1,333	\$1,547	\$1,739	\$2,823
Veteran w/ Spouse & One Parent	\$1,417	\$1,643	\$1,847	\$2,943
Veteran w/ Spouse & Two Parents	\$1,501	\$1,739	\$1,955	\$3,063
Veteran w/ One Parent	\$1,312	\$1,523	\$1,712	\$2,793
Veteran w/ Two Parents	\$1,396	\$1,619	\$1,820	\$2,913
Additional for A/A Spouse**	\$95	\$108	\$122	\$136

#### 30% - 60% With Children

Dependent Status	30%	40%	50%	60%
Veteran w/ Spouse & Child	\$453	\$644	\$899	\$1,129
Veteran w/ Child Only	\$406	\$581	\$820	\$1,034
Veteran w/ Spouse, One Parent & Child	\$489	\$692	\$959	\$1,201
Veteran w/ Spouse, Two Parents & Child	\$525	\$740	\$1,019	\$1,273
Veteran w/ One Parent & Child	\$442	\$629	\$880	\$1,106
Veteran w/ Two Parents & Child	\$478	\$677	\$940	\$1,178
Add for Each Additional Child Under Age 18	\$22	\$30	\$37	\$45
Each Additional Schoolchild Over Age 18*	\$72	\$96	\$120	\$144
Additional for A/A Spouse**	\$40	\$54	\$68	\$81

#### 70% - 100% With Children

Dependent Status	70%	80%	90%	100%
Veteran w/ Spouse & Child	\$1,409	\$1,634	\$1,837	\$2,932
Veteran w/ Child Only	\$1,298	\$1,508	\$1,694	\$2,774
Veteran w/ Spouse, One Parent & Child	\$1,493	\$1,739	\$1,945	\$3,052
Veteran w/ Spouse, Two Parents & Child	\$1,577	\$1,826	\$2,053	\$3,172
Veteran w/ One Parent & Child	\$1,382	\$1,603	\$1,802	\$2,894
Veteran w/ Two Parents & Child	\$1,466	\$1,699	\$1,910	\$3,014
Add for Each Additional Child Under Age 18	\$52	\$60	\$67	\$75
Each Additional Schoolchild Over Age 18*	\$168	\$192	\$216	\$240
Additional for A/A Spouse**	\$95	\$108	\$122	\$136

\* Rates for each school child are shown separately. They are not included with any other compensation rates. All other entries on this cart reflecting a rate for children show the rate payable for children under 18 or helpless.

\*\* Where the veteran has a spouse who is determined to require Aid and Attendance (A/A), add the figure shown as "additional for A/A spouse" to the amount shown for the proper dependency code.

## Vocational Rehabilitation and Employment

The Vocational Rehabilitation and Employment (VR&E) Program, sometimes referred to as Chapter 31 or Voc-Rehab, helps veterans with service-connected disabilities and employment handicaps to prepare for, find, and keep suitable jobs. For veterans with service-connected disabilities so severe that they cannot immediately consider work, VR&E offers services to improve their ability to live as independently as possible.

The following services may be provided by VR&E:

- Comprehensive rehabilitation evaluation to determine abilities, skills, interest, and needs
- Vocational counseling and rehabilitation planning
- Employment services such as job-seeking skills, resume development, and other work readiness assistance
- Assistance finding and keeping a job, including the use of special employer incentives
- On the Job Training, apprenticeships, and non-paid work experiences
- Financial assistance for post-secondary training at a college, vocational, technical or business school
- Supportive rehabilitation services including case management, counseling, and referral
- Independent living services

## New GI Bill Benefit

The new Post-9/11 GI Bill, which went into effect on August 1, 2009, provides education benefits for servicemembers who have served on active duty for 90 or more days since September 10, 2001. These benefits are tiered based on the number of days served on active duty, creating a benefit package that gives current and previously activated National Guard and Reserve members the same benefits as active duty servicemembers.

### Details on the New GI Bill Benefit

The New Post-9/11 GI Bill offers a new set of benefits for servicemembers and veterans attending education and training programs taken at an accredited college or university. Post-9/11 benefit payments are tiered based on the amount creditable active-duty service you have since September 10, 2001.

### Table of Post-9/11 Benefits - Who Gets What?

The following table offers a quick overview of the Post-9/11 benefits for each major group of recipients who meet the basic eligibility qualifications listed below:

If You Are:	You Qualify For:	Tuition & Fees	Monthly Housing Stipend	Book Stipend	Able to Transfer Benefits	Yellow Ribbon	Relocation Allowance	Licensing & Certification Exams
On Active Duty		NOTE 1			X			X
A Guard or Selected Reserve Member		X	NOTE 2	X	X	X	X	X
A Veteran		X	NOTE 2	X	NOTE 3	X	X	X

NOTE 1: Members on active duty receive the full tuition payment - it is not limited by the state maximum payment rate.

NOTE 2: All students on active duty, those pursuing half-time or less and those attending 100% distance learning (online, etc.) courses are not eligible for the Housing Stipend.

NOTE 3: You may only choose to transfer benefits while you are still serving in the military.

### Tuition and Fees

If you are eligible, VA will pay your tuition and fees payment directly to the school. This payment is not to exceed the highest undergraduate tuition and fees rates at a state operated college or university (Institution of Higher Learning). This payment rate is based on the state in which the school is located - not your state of residence.

Note: Members on active duty receive the full tuition payment - it is not limited by the state maximum payment rate.

## New GI Bill Benefit

### Tuition and Fees - Yellow Ribbon Program

The new GI Bill also includes a provision to help students avoid some or all of the out-of-pocket tuition and fees rates associated with education programs that may exceed the Post-9/11 GI Bill tuition benefit. The YRP is not automatic; schools must enter into an agreement with the VA to share the expense.

To qualify to receive the Yellow Ribbon benefits, you must meet the following criteria:

- Served an aggregate period of active duty after September 10, 2001, of at least 36 months
- Were honorable discharged from active duty for a service connected disability and have served a minimum of 30 continuous days after September 10, 2001
- Are a dependent eligible for Transfer of Entitlement under the Post-9/11 GI Bill based on a veteran's service under the eligibility criteria listed above

### Monthly Living Stipend

As an eligible veteran or member of the National Guard or Selected Reserve, you may receive a monthly housing allowance (living stipend) based on the ZIP code of the location of the school you are attending - not your home ZIP code. This stipend currently averages **\$1,200** a month, but can run as high as **\$2,700**.

This stipend is based on the Department of Defense's (DoD) **Basic Allowance for Housing (BAH)** for an E-5 with dependents. This stipend does not require students to live on campus.

**Note:** Servicemembers currently on active duty and veterans (and eligible family members) taking courses on a half-time or less basis and/or taking 100% of their classes at a distance (online, etc.) do not qualify for the monthly housing stipend.

### Book and Supply Stipend

You may receive an annual book stipend of up to **\$1,000** if you are a veteran or member of the Guard or Selected Reserve. This stipend is paid at the beginning of each term. It is paid proportionately based on the number of credits taken by each student at **\$41** per credit hour.

**Note:** Servicemembers currently on active duty are not eligible for the Book Stipend.

### One-Time Relocation Allowance

You may also receive a one-time rural relocation benefit payment of **\$500.00** to help cover the cost of relocating from a rural location to attend school. To qualify you must:

- Be an otherwise eligible veteran
- Reside in a county with six persons or less per square mile (as determined by the most recent decennial census), and,
- Either physically relocate at least 500 miles to attend an educational institution, or,
- Travel by air to physically attend an educational institution if no other land-based transportation exists

### Benefit Transferability

The DoD is authorized to allow individuals who, on or after August 1, 2009, have served at least six years in the Armed Forces and who agree to serve at least another four years in the Armed Forces to transfer unused entitlement to their Spouse. Once the member has reached their ten year anniversary they may choose to transfer the benefit to any dependent(s) - spouse or children.

**Note:** The ability to transfer benefits is limited to those currently serving in the military with some limited provisions for those retiring over the next few years.

### Other Benefits

In addition to the tuition, fees, housing, and relocation benefits, you may also qualify for a one-time reimbursement of up to **\$2,000** for a certification or licensing exam, work-study programs, and **\$100** a month for tutorial assistance.

### Eligibility Criteria for Post-9/11 GI Bill Benefits

You are eligible if you served a minimum of 90 days on active duty after September 10, 2001.

## New GI Bill Benefit

This covers active duty served as a member of the Armed Forces or as a result of a call or order to active duty from a reserve component (National Guard and Reserve) under certain sections of Title 10.

However, some periods of active duty service are excluded. Periods of service under the following do not count toward qualification for the Post-9/11 GI Bill:

- Active Guard Reserve (AGR) (Title 32)
- ROTC under 10 U.S.C. 2107(b)
- Service academy contract period
- Service terminated due to defective enlistment agreement
- Service used for loan repayment, *and*,
- Selected reserve service used to establish eligibility under the Montgomery GI Bill (MGIB Chapter 30), MGIB for Selected Reserve (MGIB-SR Chapter 1606), or the reserve Education Assistance Program (REAP)

### Further Details From the VA

At a minimum, you must have served at least 30 days of continuous active duty service after September 10, 2001, and be discharged due to a service-connected disability, **or** served an aggregate of 90 days of active duty service after September 10, 2001, and:

- Be honorably discharged from the Armed Forces, or
- Be released from the Armed Forces with service characterized as honorable and placed on the retired list, temporary disability retired list, or transferred to the Fleet Reserve or the Fleet Marine Corps Reserve, or
- Be released from the Armed Forces with service characterized as honorable for further service in a reserve component, or
- Be discharged or released from the Armed Forces for:
  - Existed Prior to Service (EPTS)
  - Hardship (HDSP)
  - Condition Interfered with Duty (CIWD)
  - Continue to be on active duty

### Post-9/11 GI Bill Benefit Tiers

All Post-9/11 GI Bill benefit payments are based on the amount of creditable active-duty service each veteran has since September 10, 2001. If you are an active-duty, National Guard, Selected Reserve member, or veterans who have served on active-duty for 90 or more days since September 10, 2001, the following table applies:

Post-9/11 Service	Percentage of Maximum Amount Payable
At least 36 cumulative months (Includes Entry Level or Skills Training time)	100%
At least 30 continuous days on active duty and discharged due to service-connected disability (Includes Entry Level or Skills Training time)	100%
At least 30 cumulative months (Includes Entry Level or Skills Training time)	90%
At least 24 cumulative months (Cannot include Entry Level or Skills Training time)	80%
At least 18 cumulative months (Cannot include Entry Level or Skills Training time)	70%
At least 12 cumulative months (Cannot include Entry Level or Skills Training time)	60%
At least 6 cumulative months (Cannot include Entry Level or Skills Training time)	50%
90 aggregate days (Cannot include Entry Level or Skills Training time)	40%

## Sources / Resources

Form TSP-70, VA Form 22-1990, VGLI-Form, [www.insurance.va.gov](http://www.insurance.va.gov), [www.military.com](http://www.military.com), [www.myfederalretirement.com](http://www.myfederalretirement.com), [www.mypay.com](http://www.mypay.com), [www.tsp.gov](http://www.tsp.gov), [www.va.gov](http://www.va.gov)



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