



# MONEY AND THE MOVE

## ■ WELCOME AND INTRODUCTION

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Welcome to Money and the Move. Transfers are a fact of life for most military service members and their families. This workshop will help you prepare financially for an upcoming move due to a transfer to a new duty station or a transition out of the military.

Topics included in this workshop are:

- Entitlements – Travel pay and allowances.
- Developing a PCS financial plan.
- Understanding PCS transfer expenses.
- Ways to save.
- Resources.

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## ■ ENTITLEMENTS

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Moving is expensive, but the government provides some financial assistance. Service members on Permanent Change of Station (PCS) orders, separating, or retiring from the Navy are entitled to personal travel and transportation allowances for themselves and their families. Upon receipt of your orders, you may request an advance on eligible travel allowances. Ensure your NAVPERS 1070/602 (service member's Page Two) is current before requesting a travel advance. (Note: Dual military couples can contact their disbursing office for specifics on dual compensation.)

### **Travel Pay and Allowances**

#### *1. Per Diem Allowance*

Service members, separatees, and retirees entitled to PCS Mileage (also known as Mileage in Lieu of Transportation, or MALT) receive a flat per diem for each day of authorized travel. Separatees and retirees receive a flat per diem not to exceed distance to home of record. Families traveling by private vehicle are allowed 350 miles per day (not to exceed the official authorized distance). Per Diem for each day traveled is payable as follows:

- Flat rate for food and lodging.
- \$99.00 per day for service member.
- Authorized travelers over 12 years of age = three-quarters of member's allowance.
- Authorized travelers under 12 years of age = one-half of member's allowance.
- Consult travel section for two personally-owned vehicle (POV) rates.

### *2. PCS Mileage*

Service members receive PCS Mileage when they drive their own vehicle to a new assignment. This allowance is paid on a "per mile" basis for the official distance. Your commanding officer (last duty station) must grant approval prior to your travel if you wish to be reimbursed for driving two or more privately-owned vehicles. Rate payable per car depends on the number of eligible passengers:

- Driving cost, parking fees, tolls.
  - One traveler = \$0.15 per mile.
  - Two travelers = \$0.17 per mile.
  - Three travelers = \$0.19 per mile.
  - Four or more travelers = \$0.20 per mile.

### *3. Dislocation Allowance (DLA)*

The purpose of DLA is to partially reimburse a member, with or without dependents, for the expenses incurred when relocating the member's household on a PCS move, housing moves ordered for the government's convenience, or incident to an evacuation. Advance payment requires documented evidence that household goods are scheduled for shipment.

Please note that residing in government quarters (BOQ/BEQ) longer than 60 days after arrival or acceptance of family-type government quarters will invalidate your eligibility (single service member only). DLA payment is based on grade and dependency status on the effective date of your PCS, paid three to ten days in advance of transfer, and doesn't need repayment.

#### 4. *Temporary Lodging Expense (TLE)*

You and your family can receive TLE at a rate of up to \$180 per day, depending on location, to help defray the cost of meals and temporary housing incurred during a PCS move within the Continental United States (CONUS). TLE is available for a maximum of ten (10) days lodging in the vicinity of either your old or new duty station in CONUS. A non-availability statement may be required. Housing TLE is limited to five (5) days if transferring to a location overseas. Payment is made through the settlement of your travel claim. (Receipts are required). For entitlement questions, contact your local Personnel Support Detachment (PSD) travel section.

### **Overseas Allowances**

#### 1. *Overseas Housing Allowance (OHA)*

Service members who live in private housing at their overseas duty station receive OHA. OHA helps offset housing costs, and is made up of three components: rent, utility and recurring maintenance expenses. OHA is available as an advance, requested via the commanding officer, with repayment from 12 to 24 months.

#### 2. *Move-In Housing Allowance (MIHA)*

MIHA is an upfront, lump sum payment covering unique move-in costs such as appliances, taxes and fees that normally aren't incurred with a move in the states.

Upon arriving at duty stations, members should check with the local housing office (or the local commander if there is no housing office) to see what the procedures are for the area. Once housing has been found, members should take a copy of the lease to the appropriate official and complete form DD 2367. Rates can be found at [www.dtic.mil/perdiem/](http://www.dtic.mil/perdiem/).

#### 3. *Temporary Lodging Allowance (TLA)*

The purpose of TLA is to help offset the cost of temporary housing and meals for new arrivals overseas. The amount varies. TLA is paid in 10-day increments (15 days when determined to be appropriate by the TLA approving authority) and usually has a 60-day limit for those arriving, and a 10-day limit for those departing. (Ten days for people living on the economy, six days for people living in government quarters.)

#### 4. *Cost of Living Allowance (COLA)*

Those stationed in high-cost areas overseas and certain CONUS locations receive a COLA. Check with PSD to verify eligibility and amounts.

All of the above allowances are subject to change. They are directly deposited into the member's account; therefore, the member must make a determination on whether the funds will be readily accessible to meet needs. Consult with PSD for up-to-date information and amounts.

### **Advance Pay and Allowance**

The purpose of advance pay and allowances is to help the service member meet extraordinary expenses related to relocation during PCS moves. Advance pay is not authorized for the specific out-of-pocket expenses covered by advances of other pays and entitlements.

#### 1. *Advance Pay*

Advance pay (basic pay minus taxes and required deductions) of up to three months may be authorized upon receipt of PCS orders. The member must provide written justification clearly showing that actual or anticipated out-of-pocket PCS expenses are equal to or exceed the amount of advance pay requested. A Commanding Officer must approve a repayment period that is longer than the norm and all payments made to pay grades E1-E3. This pay may be received up to thirty (30) days prior to departure or as late as sixty (60) days after reporting. Repayment is in equal installments over twelve (12) months or extended to twenty-four (24) months with a Commanding Officer's approval.

#### 2. *Advance Basic Allowance for Housing (BAH)*

Advance BAH may be issued to cover the expenses of renting a new home or apartment. It must be requested for actual expenses, not to exceed an amount equal to three months BAH. A copy of the rental agreement or receipts or bills for one month's rent is required. Repayment is normally over 12 months. If you are going to take advance housing allowance, be sure to budget for the repayment. Single service members living in the barracks may not be entitled to this.

If you are going to take advance pay or housing allowance, be sure to budget for the repayment. Have a budget review by your Command Financial Specialist, and consider the impact of the repayment over the next 12 to 24 months.

## ■ FINANCIAL PLANNING FOR TRANSFERS

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Planning is the key to a financially successful relocation. There are many areas of your finances that may need a check-up and perhaps some changes, so that you will have a smooth move. Think about the following:

- What financial obligations must you clear before departing this duty station and community?
- What financial obligations will you incur during transition from this duty station to the next? Which costs are reimbursed? Which are not?
- What financial obligations will be incurred at the new duty station?
- Do you have money set aside to pay for any expenses you must incur prior to reimbursement or that will not be reimbursed?
- How will you handle the transfer of bank accounts and changes in cash flow?
- If you have a second job or family members who work, how will you deal with the loss (at least temporarily) of that income?

These questions show some of the major considerations that you and your family need to think about, talk about, and determine how to deal with. To help you plan, we have provided you with worksheets to organize your thoughts and finances when it comes to your move.

### **Transfer Planning Worksheet**

The *Financial Planning Worksheet for a PCS Move* has two sections; the first lists the possible sources of income that were just discussed.

The second section deals with possible expenses. The list of thirty-one possible expenses gets very specific, and yet it may not cover everything in your personal situation. This form provides an excellent

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Financial Planning  
Worksheet for a  
PCS Move

starting point from which you and your family can begin to plan the expenses associated with relocation. When you subtract the expenses in the second section from the income expected in the first section, you will know how much additional money, if any, you will need for your move.

The second worksheet, *Estimated Travel Costs and Reimbursements*, can help you calculate some of the PCS entitlements for which you are eligible. It provides guidelines to use in calculating several of the common expenses and reimbursements associated with a military move, figures which can then be used for the Financial Planning Worksheet for a PCS Move.

Websites specifically designed to help plan a PCS move and estimate income and expenses include:

- [www.militaryonesource.com](http://www.militaryonesource.com)
- [www.housing.navy.mil/onestop/](http://www.housing.navy.mil/onestop/)
- <http://perdiem.hqda.pentagon.mil/perdiem>

## PCS TRANSFER EXPENSES

### PCS Transfer Expenses

Let's now focus on the expense section of the Worksheet, and look at some of the common expenses that may be encountered before, during and after a PCS move.

#### Expenses Prior to Transfer

Some expenses prior to transfer include:

*House Hunting Trip* – The Navy can grant house-hunting leave, but does not pay for the travel and lodging costs.

*Move Out* – Expenses involved include selling costs, dismantling major appliances, cleaning, lawn maintenance, cleaning services, drinks and snacks for packers and movers, etc.

*Exceeding Household Goods Weight Limitations* – Check with your Personal Property Office. Members must pay for items shipped in excess of the Navy's weight limitations.

*Insurance* – Consider getting additional insurance on your household goods to cover potential losses beyond what the Navy reimburses. Often, your renters insurance covers your household goods in shipment. Check with your current insurer for rates.

*Credit Report* – Review your credit report prior to a transfer. You can get a free copy of your credit report once a year at [www.annualcreditreport.com](http://www.annualcreditreport.com) (1-877-322-8228). If you are planning on renting, your potential landlord will want to check your credit report, so it is wise to check it first. Also, notify all creditors of the upcoming move (especially if OCONUS) in order to avoid missed payments that can cause a fee or increase in interest rates.

*Miscellaneous Expenses* – Money spent on trips, souvenirs, eating out with friends, and/or parties prior to leaving.

*Loss of Spouse's Income* – Will there be a loss of spouse's income until employment is found at the new location? This is very often the single biggest negative financial impact of a military transfer. Be sure to use the FFSC Family Employment Readiness Program (FERP).

*Medical and Dental* – If moving overseas, there may be some costs associated such as the medical screening for dependents, immunizations, prescription refills, wisdom teeth extraction, braces, etc.

*Pets* – Expenses include vet visits to ensure your pet is current on immunizations, possible quarantine fees, boarding, airline crates and airline tickets. If you cannot afford to bring your pet with you, check into Pet Foster Care at [www.netpets.org](http://www.netpets.org).

*Passports and Visas* – Photos and fees for each family member are needed for overseas transfers. With command approval, the cost for these may be reimbursed.

*Car Preparation* – Maintenance may be needed before driving long distances. If moving overseas, you may want to purchase extra parts that may be hard to find. If you are going to sell or store your car, set aside money if you will be purchasing a vehicle at your new location.

### **Notes Regarding POVs**

The government only pays for the shipment of one vehicle to overseas duty assignments. For those storing Personally Owned Vehicles (POV's) rather than moving them overseas, the government will pay storage fees up front. Also, the government will ship POV's between stateside duty stations as long as it doesn't cost any more than it would for the member to drive it there.

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If your vehicle is leased or if there is a note on the vehicle, the lessor or bank may not authorize movement of the vehicle OCONUS. Check with the lessor or bank before moving the vehicle. For leased vehicles, talk to Legal about your rights under the 2003 Servicemembers Civil Relief Act as some leases can be legally cancelled under certain circumstances (PCS orders OCONUS or deployment, both of greater than 180 days).

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### **Expenses in Transit**

Most of these expenses are on the Estimated Travel Costs and Reimbursements worksheet and are reimbursed when the travel claim is filed. Keep all receipts.

*Driving costs via POV* – The government estimates that you will travel 350 miles per day.

*Overnight accommodations* – The government estimates you'll need lodging every 350 miles.

*Food and miscellaneous expenses* – Calculate the number of people times number of days times \$25.00 to get a good estimate of this expense.

*Fun* – If you're making a cross country or long distance move, budget some time and money to see the sights and have some fun. It will make the transfer more enjoyable for everyone.

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### **Expenses at Your New Duty Station**

Expenses you may encounter at this stage of the transfer include:

*Temporary lodging and food* – You'll need a place to stay until you find a place to live. Try to find a place with cooking and refrigeration to save money on food expenses.

*Laundromat* – Expect to pay at least \$2 per load of laundry.

*Utility/telephone deposits* – Bring a letter of reference from previous utility companies stating that you paid on time to possibly get deposit fees waived or reduced at your new duty station. If you are a member of certain credit unions, your utility deposits may also be waived.

*Rental deposits/house purchase closing costs* – Generally you will not receive your security deposit from the house or apartment you just va-

cated until 30 – 60 days after you’ve left, so you will need to come up with the security deposit for your next house or apartment if you plan to rent.

If you sold your house, hopefully, you have money from the sale to apply towards closing costs on your next home.

*Extra long distance calls* – It’s inevitable. You and your family made friends at your last duty station and you will want to stay in touch. Your family may also want to receive telephone calls from you to ensure you’re settled at your new duty station.

*Cleaning supplies/restocking food supplies* – Expect to spend more than usual at your first trip to the commissary where you’ll have to restock food and cleaning supplies that you could not ship.

*Insurance* – Check with your car and home insurer. Insurance costs vary by locale. Your insurance may cost a bit more at your new duty station, or perhaps, less.

*Car registration/licenses/personal property tax* – If your car is jointly owned, many states expect you to register your vehicle in that state. Check with the state motor vehicles department or installation to find out what the rules are at your new duty station.

*Miscellaneous* – Childcare, commuting costs and clothing are examples of costs that may increase with a move. Transferring children to a new school could involve tuition, uniforms or new clothes. Consider newspaper subscriptions for your new area, and new furniture.

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## WAYS TO SAVE

### Emergency Fund

An emergency savings fund should be a top priority. You need a fund of at least one month’s base pay in a liquid account. As soon as you expect PCS orders you need to create, or build, this fund. Savings provides you with a safety net should an emergency occur. You will not need to incur additional debt or use money earmarked for other purposes if you have savings set aside.

### Cost Cutting Tips

*Yard sales* – Have a yard sale to get rid of items you no longer want or need. If it hasn’t been used in a year, get rid of it. This will help you to stay below your weight limit on your household goods.

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*Change of address* – Notify all creditors, insurance companies, automatic investment programs, and the IRS of your change of address as soon as possible. Arrange to have your mail forwarded.

*Bill paying* – Set up an online bill paying account, allotments, preauthorized withdrawals or another system for billing in transit. Remember to allow plenty of time to start up an allotment.

*Reference letters* – Obtain Letters of Reference from current utility, cable and telephone companies to reduce or eliminate deposit costs at your new location. Also get written references from employers if you worked a second job or your spouse worked.

*National providers* – Choose national providers whenever possible for long distance phone service, your Internet service provider, and your bank so you won't need to find new services when you move.

*Checking and savings accounts* – Do not close your checking and savings accounts until you have a new one at your new location and any allotments and/or electronic fund transfers have been successfully shifted to the new account. Better yet, choose a financial institution that will move with you so you won't have to keep closing and opening accounts.

*Home loan pre-qualification or pre-approval* – If you are going to be buying a home at your new duty station, pre-qualify, or better yet, get pre-approved at your bank or credit union for a home loan. Attend a class on Home Buying at your local FFSC, Housing Office or a civilian location. If you are buying a home, do not take on additional debt (car loan, advance pay, etc.).

*Military facilities* – Use military temporary lodging facilities whenever possible. Always ask for a military discount when using civilian lodging facilities.

*Dependent healthcare* – If you are currently enrolled in TRICARE Prime, stay enrolled at the old duty station until you arrive at your new duty station. If you are transferring overseas, investigate TRICARE Europe or TRICARE Pacific ([www.tricare.mil](http://www.tricare.mil)). Contact the TRICARE Service Center in your new location to transfer enrollment. If you are not enrolled in TRICARE Prime, what healthcare facilities are available at the new duty station? If you have a dependent with special healthcare needs, contact the Exceptional Family Member Program.

*Sponsor* – Use your sponsor as he or she can answer many questions on neighborhoods, schools, entitlements, etc that you might have.

*WIC* – If you are enrolled in WIC, the program is available in all 50 states. It is available at most all overseas locations as well. OCONUS sites can be accessed through [www.tricare.mil.wic/](http://www.tricare.mil.wic/).

## RESOURCES

The Navy understands how challenging a PCS move can be. A number of resources are available to help.

*Command Financial Specialist* – Can help you do a budget or financial plan in anticipation of your upcoming move.

*Fleet and Family Support Center (FFSC)* – Your FFSC can order a Welcome Aboard package from your new duty station. You can also use their lending locker that has basic items such as futons, tables and chairs, dishes, pots, pans, eating utensils, high chairs, irons, etc. This can be especially helpful after your belongings have been loaded on the moving van and before they arrive at your new duty station. Visit the FFSC website at [www.ffsc.navy.mil](http://www.ffsc.navy.mil). Other information about your next duty station is available online at [www.militaryonesource.com](http://www.militaryonesource.com).

*Personal Property Shipping Office* – This office is responsible for arranging the actual move of your household goods and vehicles.

*Personnel Support Detachment* – You can request travel advances, file travel claims, and learn about entitlements from this office. It's important to ask questions to ensure you receive all entitlements.

*Navy-Marine Corps Relief Society (NMCRS)* – If you experience financial emergencies once you arrive at your new duty station, NMCRS may be able to help with basic needs such as move-in expenses, food and car repairs. Realize the money they provide is most often in the form of an interest-free loan that you will have to repay.

### Web Sites

Online resources are plentiful to assist you with your move. Some popular ones are:

- [www.dfas.mil](http://www.dfas.mil) (Defense Finance and Accounting Service)
- [www.npc.navy.mil](http://www.npc.navy.mil) (Navy Personnel Command)
- <https://secureapp2.hqda.pentagon.mil/perdiem/> Per Diem, Travel and Transportation Allowance Committee

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- [www.militaryonesource.com](http://www.militaryonesource.com); [www.militaryHOMEFRONT.dod.mil/moving](http://www.militaryHOMEFRONT.dod.mil/moving)
- [www.housing.navy.mil/onestop/](http://www.housing.navy.mil/onestop/) (CNI Housing)
- [www.tricare.mil](http://www.tricare.mil) (Tricare Military Health System)
- [www.lifelines.navy.mil](http://www.lifelines.navy.mil) (Lifelines Services Network)
- [www.ffsp.navy.mil](http://www.ffsp.navy.mil) (Fleet and Family Support Program)

## ■ SUMMARY

The key to a successful move is found in good planning. Consider all the expenses of a move, take a look at your current spending plan, make some projections based on anticipated expenses, and be prepared for the best! A PCS move can be disruptive and expensive, but it can also be exciting, challenging and rewarding. Plan ahead, use all your resources, and enjoy your move.