



“Understanding Military Benefits: Now and in the Future”

BG (Ret.) Mike Meese
mmeese@aafmaa.com
(703) 707-4602

Six Topics of Interest

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- ❑ Snapshots of the Military and Veterans
- ❑ Military Retirement Changes
- ❑ Military Benefits for Survivors
- ❑ What You Should Do Now
- ❑ Burial Benefits
- ❑ Estate Planning





UNITED STATES MILITARY ACADEMY CLASS OF 2012



Dear Class of 1962,

Congratulations on your 55th Class Reunion! It is hard to believe that it was just five years ago that your class was welcoming us to the Army at graduation, but you know as well as we do that the time flies by.

On behalf of the Class of 2012, I want to thank all of you for your support for our class and for the Long Grey Line. You were there for each of our significant events: observing our first parade on R-day, marching back with us at the end of Beast Barracks, presenting us with our class flag when MG Gorden spoke at the end of Camp Buckner, providing our class coins at affirmation, cheering us on branch night with LTG Stroup speaking, and congratulating us as we graduated. Thank you for all that you did for us to connect us to the Long Gray Line and inspiring us with the spirit of "Can Do" 62.

In the last five short years, my classmates and I have served in Afghanistan, Iraq, Syria, Eastern Europe, Korea, throughout the United States, and in many other places. You have been a tremendous inspiration for us as we uphold our own class motto: "For More than Ourselves"

Thank you for all that you have done for us. We wish you the best at your reunion and want you to know that we continue your example of commitment to the values of Duty, Honor, Country as we serve the Nation.

Can Do. For More than Ourselves.

Beat Navy!

Sulev Grant Sepp
Class President, Class of 2012

DoD Strength & Size

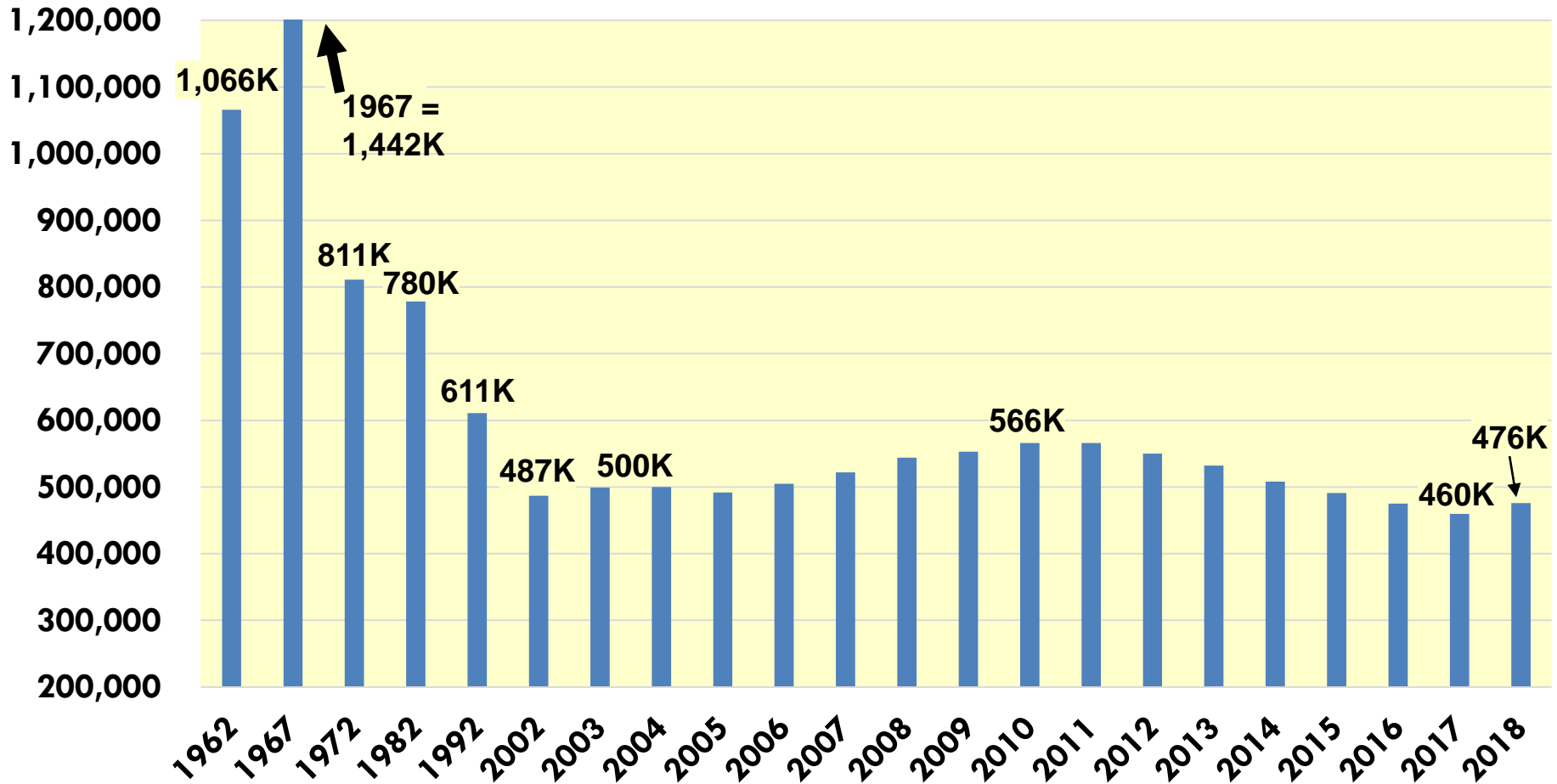
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- **1.281 million active duty today**
 - **Army: 475,400**
 - **West Point: 4,400**
 - **Navy: 324,557**
 - **Marines: 183,604**
 - **Air Force: 317,883**
- **744,151 civilians**
- **811,668 Guard and Reserve**
- **2.0 million retirees & families receiving benefits**



Active Duty Army Strength

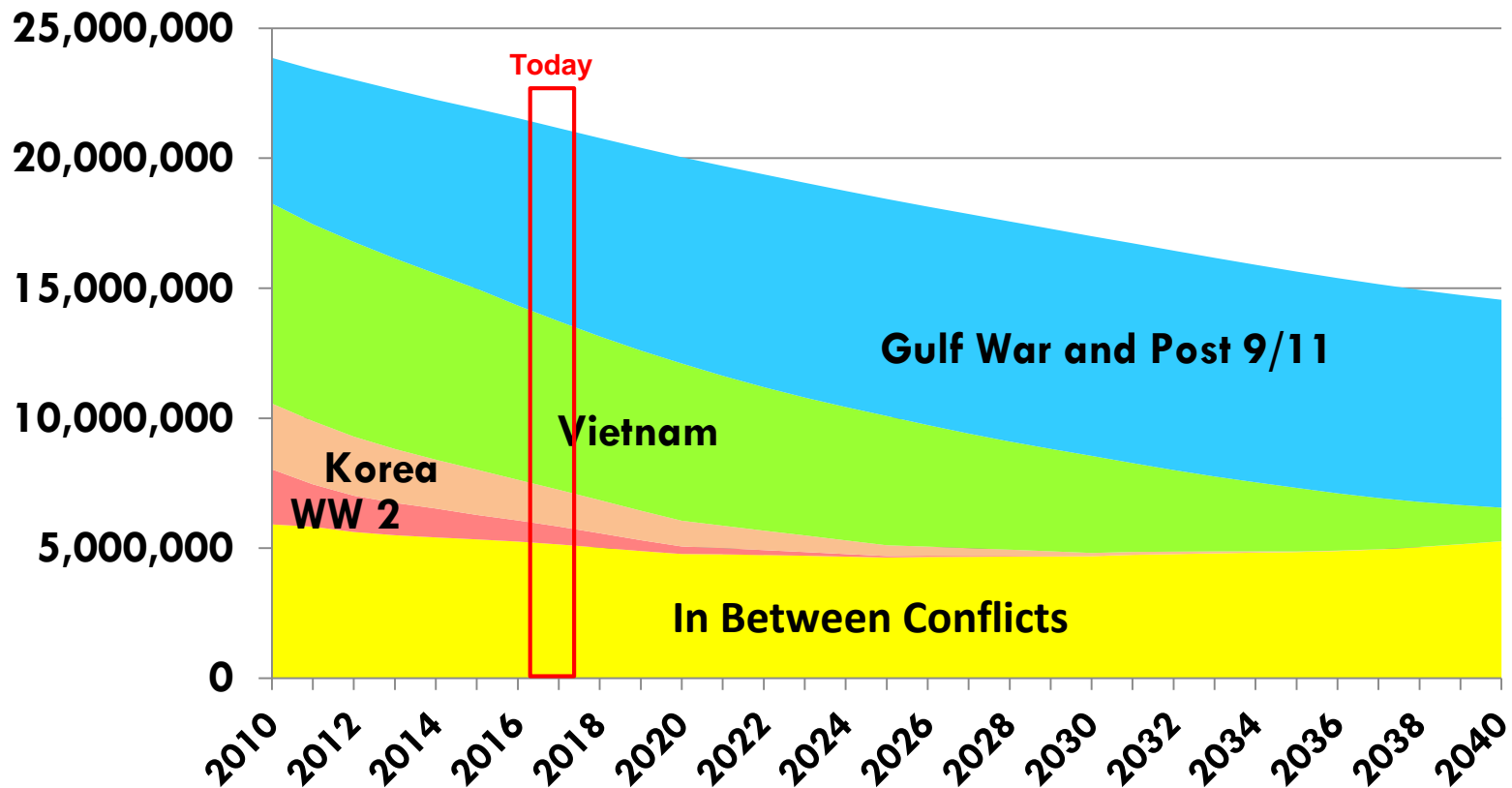
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Total Veteran Population

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Number of Veterans by Period of Service



Most Veterans are Vietnam Era and overall Veteran population is declining

Source: VA Profile of Veterans, http://www.va.gov/vetdata/docs/SpecialReports/Profile_of_Veterans_2011.pdf

New Retirement System

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Old System:

Only at retirement

- ❑ 50% at 20 years
- ❑ 75% at 30 years
- ❑ Only benefits if you retire

New System:

Starts From Day 1:

- ❑ 1% of base pay to TSP from Army
- ❑ 3% of base pay automatic; 3% match
- ❑ Will match up to 5%
- ❑ Matching/Vesting after 2 years;

Continuation Bonus at 12 Years:

- ❑ 2.5 months pay (or more) Bonus

At retirement:

- ❑ 40% at 20 years
- ❑ 60% at 30 years

Military Benefits for Survivors

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VA | U.S. Department
of Veterans Affairs



- Social Security Survivor Benefits
- Stop Retired Pay
- SBP Annuity Payments (If Selected)
- Stop VA Compensation
- Start VA DIC Payments (If authorized)
- Burial Reimbursements
- Survivor Assistance and Advice
- Insurance Claims Filing & Assistance

Income Changes at Death

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- Social Security:
 - Normally,
 - ▣ Retirement Benefits end at death
 - ▣ Survivor Benefits **begin**
(replaces Spouse Benefits)
- Military Retirement:
 - ▣ Retired Pay Ends at death
 - ▣ Survivor Benefit Payments (SBP), if elected, **begin**
- VA Dependency and Indemnity Compensation (DIC):
 - ▣ Only if service-connected death, \$1258 per month
 - ▣ Offsets SBP, but is Tax Free, + additional \$310 (in 2017)

Survivor
Benefits

Service Connection is Critical

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- Service-connected illness/conditions:
 - ▣ Partial refund of SBP payments (if SBP selected)
 - ▣ Portion of widow's retired pay tax free (\$1,258/mo.)
 - ▣ VA Burial Benefit of \$2,000
- ➔ Surviving spouse must apply to VA
- ➔ Cause of death on death certificate is critical for service connection
- No service connection → no VA compensation



Vietnam Agent Orange Presumptive Conditions

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- Acute and Subacute Peripheral Neuropathy
- Non-Hodgkin's Lymphoma
- AL Amyloidosis
- Parkinson's Disease
- Chloracne (or Similar Acneform Disease)
- Porphyria Cutanea Tarda
- Chronic B-cell Leukemias
- Prostate Cancer
- Diabetes Mellitus (Type 2)
- Hodgkin's Disease
- Ischemic Heart Disease
- Soft Tissue Sarcoma (other than Osteosarcoma, Chondrosarcoma, Kaposi's sarcoma, or Mesothelioma)
- Multiple Myeloma
- Parkinson's Disease
- Porphyria Cutanea Tarda
- Prostate Cancer
- Respiratory Cancers

**It is not too late to
claim these conditions**

Insurance, IRAs, Other Accounts

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- ❑ Check Beneficiaries
- ❑ Update Beneficiaries
- ❑ Advise companies of:
 - ▣ Current names, addresses, emails, other contact info
- ❑ Sign changes yourself
(Avoid using Power of Attorney)



Do paperwork to
update my
beneficiaries

What You Should Do Now

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Gather in One Place:

- ❑ DD Form 214
- ❑ VA Disability Awards
- ❑ Marriage/Divorce Documents
- ❑ Latest/Final LES/Retired Pay Statement
- ❑ Birth Certificates (& death cert. if applicable)
- ❑ Legal Documents (Wills, POA, Trusts, Estate Plans)

- ❑ Social Security Numbers for Spouse and Dependents
- ❑ Current Social Security Statement (SSA.gov)

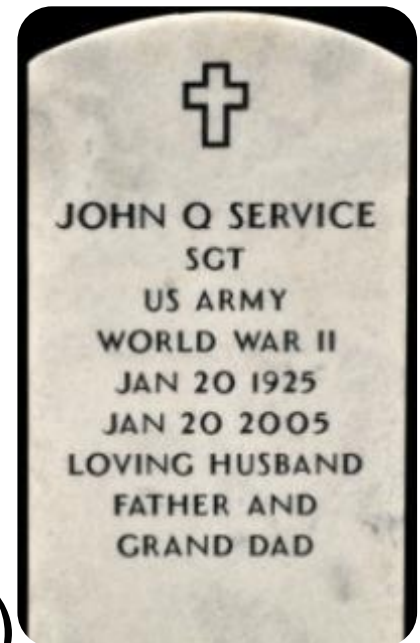
- ❑ Insurance Policies (with updated beneficiary designation)
- ❑ Financial Statements, Accounts, Passwords



Burial Benefits

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- ❑ Gravesite in National Cemetery
 - ❑ VA can validate pre-need eligibility today
- ❑ Expenses: \$2,000 if service related; Otherwise \$300; plus \$700 if not buried in national cemetery
- ❑ Headstone: Standard government headstone
- ❑ Burial Flag and Memorial Certificate(s)
- ❑ Spouse or minor children may also be buried in a National Cemetery



Burial Eligibility

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- VA National Cemeteries: Active duty, honorably discharged veterans (2 years service), reservists eligible for retirement.
- Arlington National Cemetery: Active duty, Retirees (with retired pay), Veterans with Purple Heart, Silver Star, or above.
- West Point: USMA graduates (honorably discharged) active duty who die while assigned to or retired from West Point (Space limited until July 2017; columbarium available).
- Annapolis: USNA graduates BG/RADM or above, active duty who die while assigned to USNA. All USNA graduates (and civilian professors) can be inurned at columbarium.
- Air Force Academy: USAFA graduates, Airman who die while assigned to USAFA, Air Force 3 or 4 stars, Former senior USAFA personnel.

Spouse or dependent children are also eligible for burial in the cemetery.

Why Do I Need An Estate Plan?

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- Prevent Confusion
 - Minimize Expenses
 - Protect Assets
 - Control of your assets
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- So your life's work won't be wasted.
 - Your wishes and desires live on.

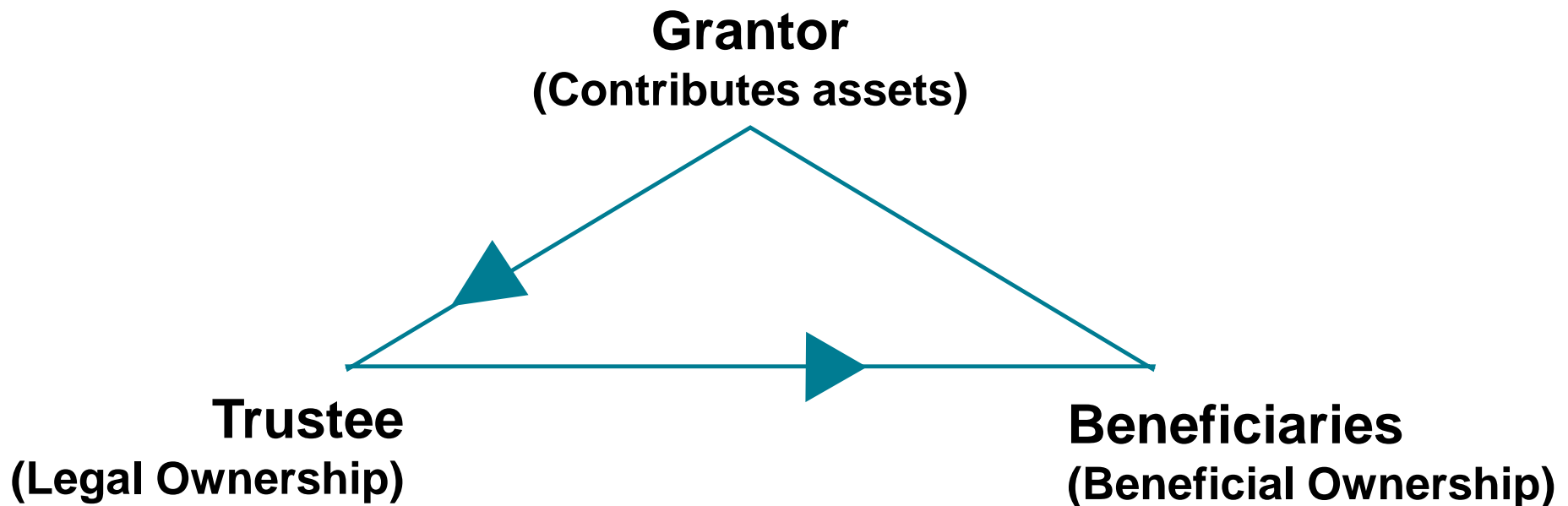


What is a Trust?

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Legal structure originally designed to protect soldiers...
...as they went off to fight the Crusades.

Your assets are now owned by the trust, which provides a legal barrier.



Why Use Trusts?

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Succession

- **Avoid estate complications**
- **Manage spendthrift heirs**
- **Provide for dependents**
- **Provide inheritance for blended families**

Life Events

- **Incapacity**
- **Protection from creditors**
- **Divorce**
- **Confidentiality**
- **Charity support**

More Questions?

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Survivor Benefit Plan (SBP)

<http://militarypay.defense.gov/survivor/sbp/index.html>

Veterans Administration

1-800-827-1000

www.va.gov

Retired Pay (DFAS – Cleveland)

1-800-321-1080

<http://www.dfas.mil/retiredmilitary.html>



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mmeese@aafmaa.com

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