



## DoD INSTRUCTION 1322.34

### FINANCIAL READINESS OF SERVICE MEMBERS

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**Originating Component:** Office of the Under Secretary of Defense for Personnel and Readiness

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**Approved by:** Gilbert R. Cisneros, Jr., Under Secretary of Defense for Personnel and Readiness

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**Purpose:** In accordance with the authority in DoD Directive 5124.02, this issuance establishes policy, assigns responsibilities, and prescribes procedures and requirements for efforts to promote and sustain the personal financial readiness of Service members.

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## **SECTION 1: GENERAL ISSUANCE INFORMATION**

### **1.1. APPLICABILITY.**

This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

### **1.2. POLICY.**

a. Service members are responsible for maintaining their financial readiness and, in accordance with DoD Instruction (DoDI) 1344.09, are expected to pay their just financial obligations in a proper and timely manner.

b. The Military Departments will provide programs and resources addressing the financial decisions facing Service members, and the effects such decisions can have on their personal and professional lives. Such programs and resources will be designed to assist Service members and their families, as appropriate, in developing skills to maintain their financial readiness, regardless of the type of, or location of, their duty assignment. In accordance with Section 992 of Title 10, United States Code (U.S.C.), and this issuance, financial readiness programs and resources will include the following:

(1) Financial literacy education, which provides a functional baseline of common knowledge, skills, and behavior standards for all Service members and includes financial readiness common military training (CMT).

(2) Financial counseling, which provides one-on-one assistance in evaluating diverse financial circumstances, setting and meeting financial goals, and developing the skills and strategies necessary to meet financial obligations and maintain financial readiness.

c. Programs and resources intended to support the financial readiness of Service members and their families must adhere to the principle of providing factual, unbiased information that empowers them to make independent and informed financial decisions.

d. Unit and command leaders are responsible for the financial readiness of Service members assigned to their units and commands, and will:

(1) Take an active role in promoting the financial readiness of Service members by encouraging financial responsibility and sound financial planning and promoting a culture that recognizes the impact of financial decisions on personal and professional lives.

(2) Promote financial readiness as an integral part of personal, family, and mission readiness and assign personnel to support these efforts within a military unit, as appropriate, in

accordance with Paragraph 4.3. of this issuance, and guidance from the Secretary of the Military Department concerned.

(3) Encourage Service members to seek assistance from available professional support resources before making a significant financial commitment.

(4) Direct Service members to financial counseling when they become aware of members' financial difficulties or indebtedness.

(5) Oversee completion of financial readiness CMT requirements for Service members under their command, in accordance with this issuance.

## **SECTION 2: RESPONSIBILITIES**

### **2.1. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)).**

The USD(P&R):

- a. Establishes policy and provides direction and oversight related to financial readiness within DoD and monitors compliance with this issuance.
- b. Submits the annual report to Congress on financial literacy and preparedness required by Section 992(d) of Title 10, U.S.C.
- c. Advises the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense, on matters concerning the operation of financial institutions on DoD installations, including financial literacy education, financial counseling, consumer protections, and any other matters that affect the morale and welfare of DoD personnel, in accordance with DoDI 1000.11.

### **2.2. ASSISTANT SECRETARY OF DEFENSE FOR READINESS (ASD(R)).**

Under the authority, direction, and control of the USD(P&R), the ASD(R):

- a. Develops and monitors the implementation of policy, procedures, and information requirements related to DoD efforts to promote and sustain the financial readiness of Service members and their families.
- b. Advises the USD(P&R) on matters related to financial readiness, including matters impacting Service member readiness, retention, and resiliency.
- c. Serves as the CMT lead proponent for financial readiness, pursuant to DoDI 1322.31, by:
  - (1) Establishing minimum terminal learning objectives (TLOs) for financial readiness CMT through the entirety of the military lifecycle.
  - (2) Regularly reviewing TLOs to address changes in training needs.
- d. Develops and distributes appropriate standardized training content and other educational products as necessary, in coordination with the Secretaries of the Military Departments.
- e. Coordinates with the Director, Department of Defense Human Resources Activity (DoDHRA) and the Secretaries of the Military Departments, to conduct a survey of the financial literacy and preparedness of members of the Armed Forces within the annual status of forces surveys, in accordance with Section 992(d) of Title 10, U.S.C.

f. Coordinates, as appropriate, with the Assistant Secretary of Defense for Manpower and Reserve Affairs, the Executive Director for Force Resiliency, and the Director, DoDHRA, to integrate financial readiness programs, resources, and information into programs under their purview, including those identified in Paragraphs 2.3., 2.4., and 2.5. of this issuance.

### **2.3. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS.**

Under the authority, direction, and control of the USD(P&R), the Assistant Secretary of Defense for Manpower and Reserve Affairs:

a. Coordinates with the ASD(R) to integrate financial readiness programs, resources, and information with Military OneSource; Military Family Readiness System programs, resources, and information; and, other services provided by military and family support centers. Programs must be available to Service members, spouses, and families, as appropriate, in accordance with DoDI 1342.22.

b. Coordinates with the ASD(R) to integrate financial readiness programs, resources, and information with the Transition Assistance Program pursuant to procedures in DoDI 1332.35, the Yellow Ribbon Reintegration Program pursuant to procedures in DoDI 1342.28, and other applicable programs, and direct relevant curriculum in these programs includes the appropriate TLOs established by the ASD(R).

c. Coordinates with the ASD(R) to establish policies concerning personal commercial solicitation, in accordance with DoDI 1344.07, that are consistent with efforts to promote and maintain the financial readiness of Service members and their families.

d. Coordinates with the ASD(R) to establish policies concerning commercial sponsorship of morale, welfare, and recreation programs, in accordance with DoDI 1015.10, that are consistent with efforts to promote and maintain the financial readiness of Service members and their families.

e. Coordinates with the ASD(R) in providing accredited financial counseling services via Military OneSource, and in the development of the policies, materials, and information needed to support the effective delivery of financial counseling by Military OneSource financial counselors, in accordance with Section 4.

f. Provides information and updates on military compensation, entitlements, benefits, and other applicable information to the ASD(R), as necessary, to support financial readiness programs.

### **2.4. EXECUTIVE DIRECTOR FOR FORCE RESILIENCY.**

Under the authority, direction, and control of the USD(P&R), the Executive Director for Force Resiliency, coordinates with the ASD(R) on policies and programs addressing the impact of financial readiness on Service member resiliency.

## **2.5. DIRECTOR, DODHRA.**

Under the authority, direction, and control of the USD(P&R), the Director, DoDHRA, coordinates with the ASD(R) to:

- a. Conduct a survey of the financial literacy and preparedness of members of the Armed Forces within the annual status of forces surveys, pursuant to Section 992(d) of Title 10, U.S.C.
- b. Integrate financial readiness policies, programs, resources, and information into the Transition Assistance Program and Yellow Ribbon Reintegration Program, as appropriate, and direct that relevant curriculum in these programs includes the appropriate TLOs as established by this issuance and in accordance with DoDI 1322.31.

## **2.6. ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS.**

Under the authority, direction, and control of the USD(P&R), the Assistant Secretary of Defense for Health Affairs provides information and updates on TRICARE, as appropriate, to the ASD(R) in support of financial readiness programs.

## **2.7. UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER, DEPARTMENT OF DEFENSE.**

The Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense:

- a. Provides policy and exercises oversight on the establishment, operation, and termination of lease agreements with financial institutions operating on DoD installations pursuant to DoDI 1000.11.
- b. Coordinates with the USD(P&R) on matters concerning the operation of financial institutions on DoD installations, including financial literacy education, financial counseling, consumer protections, and any other matters that affect the morale and welfare of DoD personnel, in accordance with DoDI 1000.11.

## **2.8. UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE AND SECURITY.**

The Under Secretary of Defense for Intelligence and Security provides, as necessary, information and updates on security clearance adjudication guidelines related to financial considerations, and the impact of financial considerations on eligibility and access determinations, to the USD(P&R) in support of financial readiness programs.

## **2.9. SECRETARIES OF THE MILITARY DEPARTMENTS.**

The Secretaries of the Military Departments:



a. Oversee compliance with the policies and requirements in this issuance within their respective Military Services, and issue policies and guidance, as appropriate, implementing this issuance.

b. Provide financial literacy education and training in accordance with Section 992 of Title 10, U.S.C., DoDI 1322.31, and Section 3 of this issuance.

c. Identify or develop systems and methods to track completion of financial readiness CMT and delegate responsibility for oversight of training completion as appropriate.

d. Develop plans to deliver financial readiness CMT requirements identified in this issuance in accordance with DoDI 1322.31. Such plans must be submitted annually to the ASD(R) no later than August 1 and, for each training point identified in Appendix 3A of this issuance, must provide the following information for the upcoming fiscal year:

(1) Organizations(s) responsible for delivery.

(2) Point of delivery.

(3) Delivery method.

(4) TLOs.

(5) Schedule when training updates will be available.

(6) Outline of training materials.

(7) Training assessment and program evaluation plans with a description of how the results of such assessments and evaluations will be used for adjusting training content and procedures.

(8) Description and results of completion tracking and reporting procedures.

(9) Additional information requested by the ASD(R) consistent with the requirements in this issuance.

e. Develop procedures to regularly assess the educational needs of Service members, and develop content and resources to address unique needs, such as those for particular populations or locations, that are not already addressed by financial readiness CMT.

f. Provide financial counseling to Service members and spouses in accordance with Section 992 of Title 10, U.S.C. and Section 4 of this issuance and provide the number of personnel employed or contracted to provide such services no later than August 1<sup>st</sup> annually, subject to guidance issued by the ASD(R).

g. Approve, at their discretion, qualified non-DoD entities to provide financial education and training in accordance with Paragraphs 3.2 and 3.3 of this issuance; monitor and track the conduct of such events; direct installation commanders to fulfill their responsibilities related to

financial education provided by such organizations; and monitor compliance with all relevant policies and requirements.

h. Use the survey of the financial literacy and preparedness of members of the Armed Forces conducted within the annual status of forces surveys in accordance with Section 992(d) of Title 10, U.S.C., as an overall measure to monitor financial readiness, evaluate financial readiness efforts and identify training needs.

i. Identify, as appropriate, additional data sources to assess the financial readiness of Service members and the impact of financial issues on readiness, resiliency, and retention, and to identify and address necessary training needs.

## **2.10. SECRETARIES OF THE ARMY AND AIR FORCE.**

In addition to the responsibilities in Paragraph 2.9. of this issuance, the Secretaries of the Army and Air Force coordinate with the Chief, National Guard Bureau, as necessary, to:

a. Oversee compliance with the policies and requirements in this issuance for members of the National Guard.

b. Provide the necessary resources to comply with the policies and requirements of this issuance for members of the National Guard.

## **2.11. CHIEF, NATIONAL GUARD BUREAU.**

The Chief, National Guard Bureau:

a. Directs that appropriate financial readiness programs, resources, and information are available for members of the National Guard and their families, through State family programs.

b. Coordinates with the Secretaries of the Army and Air Force to obtain necessary resources to comply with the policies and requirements of this issuance for members of the National Guard.

c. Coordinates with the Secretaries of the Army and Air Force to oversee compliance with the policies and requirements in this issuance for members of the National Guard, and to issue policies and guidance, as appropriate, to support the requirements in this issuance.

## SECTION 3: FINANCIAL LITERACY EDUCATION AND TRAINING

### 3.1. CMT.

The Secretaries of the Military Departments will provide financial readiness CMT, in accordance with the personal and professional training points across the military lifecycle outlined in Section 992(a) of Title 10, U.S.C. Table 1 of Appendix 3A of this issuance establishes standard minimum CMT TLOs required at each training point, consistent with DoDI 1322.31. The Secretaries of the Military Departments may, as appropriate, assign the assessment, planning, conduct, and evaluation of CMT requirements to appropriate organizations under their purview, as long as learning outcomes are consistent for all Service members under their respective Military Services.

#### a. Frequency.

(1) Training must be provided:

(a) When a Service member reaches a personal or professional training point; or

(b) On an annual basis when several training points are likely to occur 6 months before or after the time of delivery. Training conducted on an annual basis must include TLOs for all training points the member has reached since the previous training, as well as those anticipated to be reached within 6 months after the time of delivery.

(2) TLOs associated with the following training points may not be combined or provided on an annual basis as described in Paragraph 3.1.a(1)(b) of this issuance and must be provided during:

(a) Initial entry training.

(b) Leadership training.

(c) Pre- and post-deployment training.

(d) Transition.

(3) The Secretaries of the Military Departments may deliver any TLOs required to be provided at the Service member's first duty station in Appendix 3A of this issuance during a Service member's initial entry training. In such cases, TLOs delivered during initial entry training will fulfill the corresponding requirement for the first duty station.

#### b. Delivery.

(1) Point of Delivery.

Determining the appropriate point of delivery for required training is at the discretion of the Secretaries of Military Departments, and may include institutional training, professional military education, unit training, or standalone training.

## **(2) Delivery Method.**

Training delivery methods may include, but are not limited to, instructor-led training, computer-based training, structured self-development training, and one-on-one financial counseling, provided the learning outcomes are the same regardless of method.

(a) If training is delivered as in-person classroom training, instructors must be adequately trained in accordance with Military Department policy and familiar with the content to be delivered. Training pertaining to a Service member's rights and remedies under the law must be delivered by qualified legal counsel subject to the authority of the General Counsel or Judge Advocate General of the Military Department concerned, or the Staff Judge Advocate to the Commandant of the Marine Corps, or, at a minimum, the materials to be delivered must be reviewed and approved by such qualified legal counsel.

(b) If training is delivered through one-on-one financial counseling, counselors must be qualified in accordance with Section 4 of this issuance and possess the knowledge and skills necessary to address the particular subject matter identified in Appendix 3A of this issuance for which they will be responsible.

(c) Training may be delivered by non-Federal entities (NFEs) without branding of or attribution to any NFE in accordance with Paragraph 3.3 of this issuance. The Secretaries of the Military Departments must direct that such training is consistent with training requirements and provides comparable TLOs regardless of delivery method.

## **c. Target Audience.**

The target audience for each training point is the population that experienced, or anticipates experiencing, the event associated with the training point (e.g., new Service members during initial entry training; Service members when vesting in the Thrift Savings Plan (TSP)).

## **d. Standardized Training.**

The following standardized training topics must be included with training delivered by the Military Departments at the training points identified. With the exception of training specified in Paragraph 3.1.d(4) of this issuance, the Military Departments may tailor training to fit within their preferred training delivery methods and to meet the needs of their audience, given that the TLOs from the standardized training as well as those identified in Appendix 3A of this issuance are achieved. The Military Departments will:

(1) Deliver "The Uniformed Services Blended Retirement System: Your Retirement System" training no later than 365 days after the Pay Entry Base Date for all new members of the uniformed Services.

(2) Develop and deliver training on continuation pay developed in accordance with the “Blended Retirement System Training for Continuation Pay Provision Training Development Guide.”

(3) Provide the “Blended Retirement System Lump Sum Payment Course” to Service members who are eligible and intend to elect a lump sum of retired pay pursuant to Section 1415 of Title 10, U.S.C.

(4) Deliver the “Financial Planning for Transition” training as part of the Transition Assistance Program pursuant to procedures in DoDI 1332.35.

#### **e. Training Materials.**

(1) Training materials may include, but are not limited to, lesson plans, training guides, presentation slides, infographics, and pamphlets.

(2) Training materials may include those developed and released within DoD, or developed and approved in accordance with Paragraphs 3.2 or 3.3 of this issuance.

#### **f. Compliance.**

(1) Compliance with financial readiness CMT requirements does not require direct replication of each TLO, as long as training is designed to produce knowledge outcomes consistent with the required TLOs appropriate to the specific training points.

(2) Test-out modules may be used to determine knowledge of each TLO required at permanent change of station, promotion, and major life event training points in Appendix 3A.

#### **g. Completion and Evaluation.**

The Military Departments will develop procedures to:

(1) Track completion of financial readiness CMT by Service members.

(2) Evaluate the effectiveness of training; recommendations for modifications to required CMT TLOs must be made to the ASD(R).

### **3.2. TRAINING PROVIDED BY OTHER FEDERAL DEPARTMENTS AND AGENCIES.**

The Secretary of the Military Department concerned, at their discretion, may use training, to include training materials, provided by a Federal department or agency not part of DoD to address the general financial literacy education needs of the Military Department concerned. If such training is intended to satisfy a specific financial readiness CMT requirement in this issuance, it must be verified to fulfill the TLOs in Appendix 3A of this issuance consistent with the Military Department’s overall training program and approved for usage.

### **3.3. TRAINING PROVIDED BY NFES.**

NFES described in and satisfying the requirements identified in Paragraph 3.3. of this issuance may be allowed to provide financial literacy education or training on DoD installations or provide financial literacy materials for use by DoD personnel. Such entities must adhere to all applicable requirements, including those established in DoDI 1344.07, DoDI 1000.15, and the requirements established in Paragraph 3.3 of this issuance. The Secretaries of the Military Departments concerned may approve the use of such training to satisfy a specific financial readiness CMT requirement in this issuance if such training is verified to fulfill the TLOs in Appendix 3A of this issuance consistent with the Military Department's overall training program.

#### **a. State and Local Government Entities.**

State and local government entities, including public universities, may provide financial literacy education and training required by this issuance, or provide financial literacy materials for use by DoD personnel, especially where State or local laws provide specific consumer rights and remedies to Service members and dependents.

#### **b. Financial Institutions Operating on DoD Installations.**

Financial institutions operating on DoD installations pursuant to DoDI 1000.11, may provide financial literacy and training in accordance with Parts 230 and 231 of Title 32, Code of Federal Regulations.

#### **c. Non-Profit Organizations.**

##### **(1) Military Department Responsibilities.**

(a) The Secretaries of the Military Departments may approve, in writing, an appropriate non-profit organization that is tax-exempt under Section 501(c)(3) or (c)(23) of Title 26, U.S.C., or that is associated with a securities self-regulatory organization, to provide financial literacy education or training to Service members in their respective Military Services, or provide learning materials for use by DoD personnel. This authority may be delegated, in writing, to a Presidentially-appointed, Senate-confirmed official of the Military Department concerned; further delegation is not authorized.

(b) Approvals must indicate that permission to provide financial literacy training or education on a specific DoD installation is at the sole invitation of the installation commander, in accordance with DoDI 1344.07 and Part 50 of Title 32, Code of Federal Regulations.

(c) Approvals are subject to the conditions in DoDI 1344.07, Part 50 of Title 32, Code of Federal Regulations, relevant Military Department policy, and other invitation requirements identified by the Military Department concerned. Copies of such approvals must be provided to the ASD(R) when they are issued and transmitted.

(d) Approvals must be limited to providing training developed by the DoD, training verified by the Military Department concerned to meet a specific financial readiness CMT

requirement described in this issuance, or another specific training need identified by the Military Department concerned. The Military Department must verify that any training and associated materials provide factual, unbiased information, do not contain any branding or attribution to any NFE, do not promote or appear to promote any particular commercial product or service, and are compliant with all applicable policies.

(e) Consistent with Paragraph 3.3.c(2)(f) of this issuance, to avoid the appearance of favoritism, establish policy to ensure that successive invitations are not issued to a single NFE or a small group of NFEs if there are multiple NFEs with similar qualifications and availability that meet the criteria in this issuance.

## **(2) Installation Commander Responsibilities.**

Pursuant to DoDI 1344.07 and Part 50 of Title 32, Code of Federal Regulations, invitations to provide financial literacy education or training on a specific DoD installation are at the sole discretion of the installation commander, subject to the installation's need and to the overall approval of an appropriate official in accordance with Paragraph 3.3.c(1) of this issuance. The installation commander must:

(a) Invite only NFEs described and satisfying the requirements identified in Paragraph 3.3 of this issuance to provide approved financial literacy education or training on DoD installations based on need.

(b) Designate appropriate DoD personnel familiar with the requirements in this issuance and Military Department policy to verify compliance with Paragraph 3.3.c(1) of this issuance, Military Department policy, and any other applicable policy, and monitor delivery.

(c) Report the number, type, and subject of financial literacy education or training events conducted by non-DoD entities to the Secretary of the Military Department for further reporting to the ASD(R).

(d) Prohibit commercial entities or commercial agents from delivering financial literacy education or training, including on behalf of an approved NFE, pursuant to DoDI 1344.07.

(e) If the NFE is an educational institution described in Paragraph 3.3.a of this issuance, direct the installation education advisor to verify compliance with DoDI 1322.25.

(f) Avoid the appearance of favoritism by taking care not to issue invitations to a single approved NFE or a small group of approved NFEs if there are multiple approved NFEs with similar qualifications and availability.

## **3.4. FINANCIAL EDUCATION IN RELIGIOUS ACTIVITIES.**

Military chaplains may provide financial education as part of their religious ministries. Such materials may not be used to meet a requirement in this issuance, and are otherwise exempt from

the requirements for approval identified in this issuance, provided the following conditions are met:

a. The primary purpose of such training is the spiritual development of congregants and not the financial education of Service members in general, as determined by the chaplain concerned in coordination with the installation commander.

b. Chaplains consult with the installation financial readiness program to verify materials do not conflict with training requirements and policies in this issuance and are consistent with the policies in DoDI 1344.07.

c. Materials do not expressly or implicitly endorse products or services of any non-government entity, nor further advertise products or services for purchase.

d. Participation is not directed and only on a voluntarily basis, with attendance as part of religious ministry and not advertised beyond chapel congregants or delivered outside of the context of religious ministry (e.g., in public installation locations such as the base exchange as a standalone event).

e. Participants are notified of the availability of financial counseling and training opportunities provided by the Military Departments.



## APPENDIX 3A: FINANCIAL READINESS CMT TLOS

This appendix establishes standard minimum CMT TLOs required at each training point. Unless otherwise directed by Military Department implementing guidance, leaders at all levels may use these TLOs to meet financial readiness CMT requirements and determine how best to achieve these requirements, and will use their individual and collective training assessments to identify subject matter gaps consistent with DoDI 1322.31.

**Table 1. Financial Readiness CMT TLOs**

		<b>Initial Entry Training</b>	<b>First Duty Station</b>	<b>Permanent Change of Station</b>	<b>Promotion</b>	<b>Vesting in TSP</b>	<b>Entitlement to Continuation Pay</b>	<b>Major Life Events</b>	<b>Leadership Training</b>	<b>Pre- and Post-Deployment</b>	<b>Transition</b>
<b>Basic Finance</b>	Recognize the importance of personal financial management and what resources are available.	X							X		
	Identify warning signs of Service members at risk for financial problems.	X							X	X	
	Understand the fundamentals of banking services and fees.	X	X								
	Understand the fundamentals of creating and managing a spending plan, and the importance of updating a spending plan.		X	X	X		X	X		X	X
	Understand the fundamentals and management of debt and credit.	X	X	X						X	X
	Understand fundamentals of income tax and common tax benefits, and potential changes to tax situation.		X					X	X		X

**Table 1. Financial Readiness CMT TLOs, Continued.**

		<b>Initial Entry Training</b>	<b>First Duty Station</b>	<b>Permanent Change of Station</b>	<b>Promotion</b>	<b>Vesting in TSP</b>	<b>Entitlement to Continuation Pay</b>	<b>Major Life Events</b>	<b>Leadership Training</b>	<b>Pre- and Post-Deployment</b>	<b>Transition</b>
<b>Consumer Protections</b>	Know military consumer protection law fundamentals, including Service members' Civil Relief Act and Military Lending Act.	X	X	X					X	X	
	Recognize and understand how to protect yourself from misleading consumer practices and report complaints.		X				X			X	
	Understand how to access credit protection benefits available to Service members.		X							X	
	Recognize and identify steps to resolve identity theft.		X							X	
<b>Planning for the Future</b>	Comprehend the components of Service member's military retirement system and the importance of preparing for retirement.	X				X	X	X	X		X
	Discuss the reasons, needs, types, and options for purchasing insurance.		X					X		X	X
	Understand purpose and implications of estate planning (e.g., beneficiaries, wills, trusts, power of attorney).	X						X		X	X

**Table 1. Financial Readiness CMT TLOs, Continued.**

		<b>Initial Entry Training</b>	<b>First Duty Station</b>	<b>Permanent Change of Station</b>	<b>Promotion</b>	<b>Vesting in TSP</b>	<b>Entitlement to Continuation Pay</b>	<b>Major Life Events</b>	<b>Leadership Training</b>	<b>Pre- and Post-Deployment</b>	<b>Transition</b>
<b>Compensation, Benefits, and Entitlements</b>	Know the components of basic pay and allowances throughout one's military career.	X									
	Examine the impact of special pay and entitlements.		X	X						X	
	Discuss TRICARE options and costs.		X					X		X	X
	Discuss survivor and dependent benefits, including Survivor Benefit Plan and Service members' Group Life Insurance.							X		X	X
	Understand future financial benefits afforded by the Department's career investment programs.		X		X				X		
<b>Saving and Investing</b>	Understand interest and how the concept of compounding works.		X								
	Recognize the importance of and be able to develop savings and an emergency fund.		X		X			X		X	X
	Describe the fundamentals of investing.		X								
	Understand and be able to manage a TSP account.		X		X	X				X	X
<b>Major Purchases</b>	Analyze the implications and identify strategies for financing a major purchase.	X	X								
	Analyze financial implications and identify strategies for buying a car.		X								
	Understand education financing, to include available benefits, obligations, and repayment options.		X					X			

*Notes: For definitions, see Section G.2.*

## SECTION 4: FINANCIAL COUNSELING

### 4.1. FINANCIAL COUNSELING.

a. The Secretaries of the Military Departments must provide lifecycle financial counseling upon request to Service members and spouses through personnel qualified to provide factual, unbiased information and assist them in the development of skills and strategies to meet financial goals and achieve and maintain financial readiness.

b. Financial counseling must be available regardless of component, type, or location of assignment.

c. The Secretaries of the Military Departments must comply with program certification standards in DoDI 1342.22 for financial counseling provided in military and family support centers.

### 4.2. INSTALLATION FINANCIAL COUNSELING.

#### a. Requirements.

The Secretaries of the Military Departments must provide financial counseling, in accordance with Section 992 of Title 10, U.S.C.:

(1) In the case of an installation with at least 2,000 assigned members on active duty, financial counseling must be provided through at least one qualified full-time financial counselor.

(2) In the case of an installation with fewer than 2,000 assigned members on active duty, financial counseling must be provided from among the following:

- (a) A qualified full-time financial counselor;
- (b) A civilian of an appropriate grade and job series, or Service member in paygrade E-7 or above, assigned in writing to provide financial counseling as a part of their duties;
- (c) By contract, including contract for telephonic or virtual counseling; or,
- (d) Through formal agreements with government entities or non-profit organizations that are tax-exempt under Sections 501(c)(3) and (c)(23) of Title 26, U.S.C, subject to the guidelines in Paragraphs 3.2 and 3.3 of this issuance.

#### b. Qualifications.

(1) Except as described in Paragraph 4.2.b(2) of this issuance, individuals described in Paragraph 4.2.a of this issuance must meet the following qualifications, in addition to any further guidance issued by the Secretary of the Military Department concerned:

(a) Possess a baccalaureate degree from an accredited university or a combination of education and experience which equips the individual to serve as a financial counselor.

(b) Obtain and maintain a relevant nationally-recognized professional certification that prepares the individual to provide factual, unbiased financial education and counseling, pursuant to implementing guidance issued by the Secretary of the Military Department concerned.

(c) Possess the knowledge and skills necessary to address the subject matter identified in Appendix 3A of this issuance.

(d) Be free of conflicts of interest regarding the subject matter for which they are responsible.

(2) Any individual described in Paragraph 4.2.a(2)(b) of this issuance must meet the following qualifications, in addition to any further guidance issued by the Secretary of the Military Department concerned:

(a) Be free of conflicts of interest regarding the subject matter for which they are responsible.

(b) Receive training to assess an individual's financial counseling needs and provide information and referral to additional resources for further assistance.

#### **4.3. UNIT FINANCIAL COUNSELING.**

The Secretaries of the Military Departments may establish policy authorizing commanders to assign a Service member of a unit to provide financial counseling to members within that unit or command as part of their assigned duties. Such policy must identify appropriate circumstances for the use of unit financial counseling and require that Service members serving as unit financial counselors, at a minimum, must:

a. Be in paygrade E-5 or above and assigned in writing.

b. Be free of conflicts of interest regarding the subject matter for which they are responsible.

c. Receive appropriate training provided by the Military Department concerned to assess an individual's financial counseling needs and provide information and referral to additional resources for further assistance.

#### **4.4. AVAILABILITY.**

Financial counseling must be provided upon request to military family members and other individuals entitled to access such services under law, regulation, or DoD policy.

#### **4.5. SERVICE INTEGRATION.**

The Secretaries of the Military Departments will, as appropriate and to the widest extent practicable, integrate financial counseling and financial readiness information and resources into other programs supporting Service members and their families.

#### **4.6. SUPPORT WITH CONSUMER RIGHTS AND REMEDIES.**

Providing information and referrals on consumer rights and remedies available under law and policy is a critical component of financial counseling. Financial counselors described in Paragraphs 4.2 and 4.3 of this issuance must:

- a. Be familiar with relevant consumer rights and remedies, particularly unique protections afforded military consumers in law or policy, such as the Military Lending Act (Section 987 of Title 10, U.S.C. and Part 232 of Title 32, Code of Federal Regulations), Servicemembers Civil Relief Act (Sections 3901 to 4043 of Title 50, U.S.C.), credit monitoring, and State or local regulations.
- b. Refer clients to the installation legal assistance office or appropriate regulatory agency for further support when identifying a potential violation of consumer rights.

#### **4.7. COUNSELING ON SERVICEMEMBERS' GROUP LIFE INSURANCE.**

Pursuant to Section 992(c) of Title 10, U.S.C., a Service member or family member requesting financial counseling described in Section 4 regarding commercially-available life insurance must also receive information on the availability, amount of coverage, and procedures for changing coverage under the Servicemembers' Group Life Insurance.

## GLOSSARY

### G.1. ACRONYMS.

ACRONYM	MEANING
ASD(R)	Assistant Secretary of Defense for Readiness
CMT	common military training
DoDHRA DoDI	Department of Defense Human Resources Activity DoD instruction
NFE	non-Federal entity
TLO TSP	terminal learning objective Thrift Savings Plan
U.S.C. USD(P&R)	United States Code Under Secretary of Defense for Personnel and Readiness

### G.2. DEFINITIONS.

These terms and their definitions are for the purpose of this issuance.

TERM	DEFINITION
<b>career investment programs</b>	Policies, programs, and partnerships that support war-fighting readiness and support Service members' transition to the civilian workforce following military service, including, but not limited to, voluntary education, tuition assistance, certification, licensure, apprenticeship, and financial readiness.
<b>computer-based training</b>	Any course of instruction where the primary means of delivery is a computer and may be delivered via software or web-based.
<b>continuation pay</b>	A direct cash payment available to Service members covered under the Blended Retirement System, payable between completion of 8 and 12 years of service with a commitment of a minimum of 3 additional years of service.
<b>CMT</b>	Non-occupational directed training that sustains readiness, provides common knowledge, enhances awareness,

<b>TERM</b>	<b>DEFINITION</b>
	reinforces expected behavioral standards or obligations, and establishes a functional baseline that improves the effectiveness of the DoD and its constituent organizations.
<b>DoD installation</b>	Any Federally-owned, leased, or operated base, reservation, post, camp, building, or other facility to which DoD personnel are assigned for duty or participating in voluntary services offered by the Federal Government, including barracks, transient housing, and family quarters.
<b>entitlement to continuation pay</b>	When a Service member covered by the Blended Retirement System becomes eligible to receive continuation pay in accordance with policy of the Military Department.
<b>financial literacy</b>	<p>The ability to use knowledge and skills to manage financial resources and responsibilities.</p> <p>The state in which successful management of personal financial responsibilities supports a Service member's ability to perform their duties.</p>
<b>initial entry training</b>	Training provided to Service members (including enlisted, commissioned officers, and warrant officers), or any individual in a pre-commissioning program of the Military Department concerned, before arrival at the first permanent duty station.
<b>institutional training</b>	A progressive course of training including initial entry training, professional military education, and functional training.
<b>leadership training</b>	At a minimum, among enlisted members, training for first-time non-commissioned officers, first sergeants, and prior to command assignments; for officers, during accession and training for command assignments for paygrades O-1 to O-6.
<b>lump sum</b>	A cash payment of a portion of retirement pay made to eligible individuals in accordance with Section 1415 of Title 10, U.S.C.
<b>major life event</b>	At a minimum, marriage, divorce, birth of a first child, and disabling sickness or condition.



<b>TERM</b>	<b>DEFINITION</b>
<b>Pay Entry Base Date</b>	The date that denotes when an individual's service is calculated for pay purposes.
<b>permanent change of station</b>	At a minimum, applies to Service members in paygrades E-1 to E-4 and O-1 to O-3.
<b>point of delivery</b>	Event designated by the Military Department concerned where training is delivered.
<b>professional military education</b>	The systematic instruction of professionals in subjects that enhance their knowledge of the science and art of war.
<b>promotion</b>	At a minimum, applies to Service members in paygrades E-1 to E-5 and O-1 to O-4.
<b>securities self-regulatory organization</b>	An organization described in Section 78.c(a)(26) of Title 15, U.S.C.
<b>structured self-development</b>	Mandatory, planned, and goal-oriented learning that reinforces and expands the depth and breadth of an individual's knowledge base.
<b>test-out module</b>	A mechanism that allows an individual to opt out of some or all of a particular training program by successfully completing a knowledge test or other assessment.
<b>TLO</b>	The performance required of the student to demonstrate competency in the material being taught. A TLO describes exactly what the student must be capable of performing under the stated conditions to the prescribed standard on lesson completion.
<b>training materials</b>	Materials used by instructors, facilitators, and participants in a training environment.
<b>training point</b>	Personal and professional life events when financial literacy training is to be provided to Service members in accordance with Section 992 of Title 10, U.S.C.
<b>transition</b>	Separation from service, transition between Active and Reserve Components, or retirement.

<b>TERM</b>	<b>DEFINITION</b>
<b>unit training</b>	All or part of a unit accomplishing training objectives in a group setting.
<b>vesting in TSP</b>	When a Service member covered by the Blended Retirement System accrues non-forfeitable rights to contributions to their TSP account made by the Military Department on the first day of the 25 <sup>th</sup> month of service following their Pay Entry Base Date.

## REFERENCES

- Code of Federal Regulations, Title 32
- DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- DoD Instruction 1000.11, “Financial Institutions on DoD Installations,” January 16, 2009, as amended
- DoD Instruction 1000.15, “Procedures and Support for Non-Federal Entities Authorized to Operate on DoD Installations,” October 24, 2008
- DoD Instruction 1015.10, “Military Morale, Welfare, and Recreation (MWR) Programs,” July 6, 2009, as amended
- DoD Instruction 1322.25, “Voluntary Education Programs,” March 15, 2011, as amended
- DoD Instruction 1322.31, “Common Military Training (CMT),” February 20, 2020
- DoD Instruction 1332.35, “Transition Assistance Program (TAP) for Military Personnel,” September 26, 2019
- DoD Instruction 1342.22, “Military Family Readiness,” August 5, 2021
- DoD Instruction 1342.28, “DoD Yellow Ribbon Reintegration Program (YRPP),” February 25, 2019
- DoD Instruction 1344.07, “Personal Commercial Solicitation on DoD Installations,” March 30, 2006
- DoD Instruction 1344.09, “Indebtedness of Military Personnel,” December 8, 2008
- United States Code, Title 10
- United States Code, Title 15, Section 78.c(a)(26)
- United States Code, Title 26
- United States Code, Title 50, Sections 3901-4043 (also known as the “Servicemembers’ Civil Relief Act”)