

# Financial Tips For New Veterans

On Veterans Day, we honor the men and women who have served in our armed forces. If you've recently separated or retired from the military, or you will be leaving soon, you can be proud of the service you've provided to your country. But once you're a veteran, away from the structure and imperatives of the military, you may need to take greater control over managing your finances and protecting your family.

For starters, consider housing. When you were on active duty, you may have moved around frequently and found it more convenient to rent, but you may now want to purchase a house. Assuming you meet the eligibility requirements, you could apply for a VA loan, which typically does not require a down payment and is usually offered at a favorable interest rate. Make sure that you only take out a mortgage you can afford – you don't want to become "house poor."

You'll also want to save and invest for retirement. While on active duty, you could invest in the Thrift Savings Plan (TSP), but when you separate from service, you can no longer contribute to it. Now, if you get a job in the civilian sector, you may have access to a 401(k) or similar employer-sponsored retirement plan, and you might be able to roll your TSP balance into your new employer's plan. If you become self-employed or open your own business, you may be able to choose from several retirement plans, including a SEP-IRA, a SIMPLE IRA or an "owner-only" 401(k). But no matter what plan you have, try to contribute enough to meet your income needs in retirement, which could last two or three decades.

Furthermore, once you become a civilian, you may need to consider two topics that have special importance to you and your family: health and life insurance.

Regarding health insurance, you should be able to get coverage through TRICARE and/or the Veterans Administration, but you also may want to take advantage of employer-sponsored health coverage. As for life insurance, you will lose the coverage offered by the military (Service-members' Group Life Insurance, or SGLI) shortly after you separate from active duty, so you'll want to consider your options for your SGLI, such as converting it to either Veterans' Group Life Insurance or a civilian policy. Your new employer may provide some form of insurance as an employee benefit, but it might not be sufficient for your needs. In any case, if you have dependents, it's essential you don't lose life insurance coverage, even for a short time.

Finally, be prepared for one negative aspect of becoming a veteran: fraud attempts. It's unfortunate, but scam artists frequently target veterans. Scammers may tell you that you qualify for "secret" government programs, but you must first pay a fee or provide personal information, which can then be used for identity theft. Or they might try to charge you for access to your service records, even though you can get them free from the Department of Veterans Affairs. As a general rule, be suspicious of anyone you don't know who seems overly eager to help veterans.

Entering a new phase in your life can be exciting and rewarding – and you'll enjoy it even more when you get comfortable with your new financial arrangements.

*This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.*

*Edward Jones, Member SIPC.*