MQFP® Study Guide 1.5: Active Duty Deployment Considerations

Learning Objectives:

1.5 Active Duty Deployment Considerations

a. Explain the benefits and limitations of combat zone tax-exempt pay (CZTE)

> **Exercise 1:** CZTE Benefits
>
> List three benefits of combat zone tax-exempt pay (CZTE) for deployed service members.

b. Explain the benefits and limitations of deployment-related special pays and allowances

> **Exercise 2:** Deployment-Related Special Pays and Allowances
>
> Describe two deployment-related special pays and allowances available to deployed service members and their respective limitations.

c. Identify changes to TSP limits and timelines that may happen when deployed

> **Exercise 3:** TSP Limits and Timelines
>
> Discuss potential changes to Thrift Savings Plan (TSP) contribution limits and timelines for deployed service members.

d. Describe the benefits for deployed members contained in the Servicemembers Civil Relief Act (SCRA)

> **Exercise 4:** SCRA Benefits
>
> Outline two benefits provided to deployed service members under the Servicemembers Civil Relief Act (SCRA).

e. Explain the benefits and limitations of the Savings Deposit Program (SDP)

> **Exercise 5:** SDP Benefits and Limitations
>
> Summarize the benefits and limitations of the Savings Deposit Program (SDP) for deployed service members.

f. Explain how a servicemember can accrue tax-free leave while deployed

> **Exercise 6:** Accruing Tax-Free Leave

Describe the process and conditions under which a service member can accrue tax-free leave during deployment.

g. Discuss the benefits and limitations of having a power of attorney while deployed

Exercise 7: Power of Attorney (POA) Benefits and Limitations

Explain the benefits and limitations of granting a power of attorney (POA) to someone while being deployed.

h. Discuss the importance of updating estate planning documents prior to deployment

Exercise 8: Importance of Updating Estate Planning Documents

Discuss the reasons why service members should update their estate planning documents before deployment.

Quiz: (Multiple Choice)

1. Which of the following is a benefit of combat zone tax-exempt pay (CZTE)?

   a) Higher tax rates for deployed service members

   b) Tax exemption on all income earned during deployment

   c) Ability to claim additional tax credits while deployed

   d) Exemption from federal income tax only

2. What is one limitation of the Savings Deposit Program (SDP) for deployed service members?

   a) Contributions are not tax-deductible

   b) Withdrawals are subject to taxes

   c) SDP is not available for deployed service members

   d) There is a maximum contribution limit

3. True or False: The Servicemembers Civil Relief Act (SCRA) provides legal protections for deployed service members, including a cap on interest rates for pre-existing debts.

   a) True

   b) False

4. When deployed, service members can designate someone with a power of attorney (POA) to:

   a) Assume command of their unit

   b) Make financial and legal decisions on their behalf

   c) Receive combat zone tax-exempt pay (CZTE)

   d) Make changes to their official military records

5. Why is it important for service members to update their estate planning documents before deployment?

   a) To increase their life insurance coverage

   b) To designate beneficiaries for their retirement accounts

   c) To ensure their wishes are followed in case of incapacity or death

   d) To receive additional benefits while deployed

References:

- Combat Zone Tax Exclusion, Internal Revenue Service (IRS): https://www.irs.gov/newsroom/combat-zone-tax-exclusion

- Defense Finance and Accounting Service (DFAS) - Savings Deposit Program (SDP): https://www.dfas.mil/dam/jcr:4985b89c-94d9-47eb-84b6-d87d4b1e04e1/SDPBooklet.pdf

- Servicemembers Civil Relief Act (SCRA), Legal Services Corporation: https://www.lsc.gov/sites/default/files/images/LSC_pubs/SCRA.pdf

- Thrift Savings Plan (TSP): https://www.tsp.gov/

*Answer Key can be found at: https://mqfp.org/study-guides/