

MQFP® Study Guide 4.3: Retirees

Learning Objectives:

4.3 Retirees

- a. Analyze a Retiree Account Statement (RAS) for pay, deductions, and allotments

Exercise 1: RAS Analysis

Analyze a sample Retiree Account Statement (RAS) to identify and understand the components, including pay, deductions, and allotments.

- b. Calculate expected military retired pay direct deposit given the base rate and a list of monthly deductions

Exercise 2: Retired Pay Calculation

Calculate the expected military retired pay direct deposit for a retiree, given the base rate and a list of monthly deductions (e.g., SBP, taxes, health insurance).

- c. Describe Combat-Related Special Compensation (CRSC)

Exercise 3: CRSC Overview

Describe Combat-Related Special Compensation (CRSC), including its purpose, eligibility criteria, and benefits for retirees with combat-related disabilities.

- d. Describe Concurrent Retirement and Disability Pay (CRDP)

Exercise 4: CRDP Overview

Describe Concurrent Retirement and Disability Pay (CRDP), including its purpose, eligibility criteria, and benefits for retirees with service-connected disabilities.

- e. State the tax implications of SBP

Exercise 5: SBP Tax Implications

State the tax implications of Survivor Benefit Plan (SBP) annuity payments, including the tax treatment of SBP premiums and the taxable portion of the annuity.

- f. Determine state tax implications of military retired pay given access to reliable resources

Exercise 6: State Tax Implications

Determine the state tax implications of military retired pay for a retiree residing in a specific state, using reliable resources such as state tax websites or tax professionals.

- g.** Estimate expected out-of-pocket medical costs for a retiree using Tricare Prime or Tricare Select given a set of circumstances

Exercise 7: Tricare Medical Cost Estimation

Estimate the expected out-of-pocket medical costs for a retiree using Tricare Prime or Tricare Select, given a set of circumstances (e.g., family size, medical conditions).

- h.** Evaluate a retiree family's need for a Tricare supplement

Exercise 8: Tricare Supplement Evaluation

Evaluate a retiree family's need for a Tricare supplement based on factors such as medical needs, out-of-pocket costs, and financial resources.

- i.** Determine eligibility for a Health Savings Account if the retiree has Tricare coverage

Exercise 9: HSA Eligibility Determination

Determine the eligibility of a retiree with Tricare coverage to open and contribute to a Health Savings Account (HSA), considering the requirements set by the IRS.

- j.** Explain the eligibility requirements for a retiree to acquire Tricare For Life (TFL) health insurance coverage

Exercise 10: TFL Eligibility Requirements

Explain the eligibility requirements for a retiree to acquire Tricare For Life (TFL) health insurance coverage, including the relationship between Tricare and Medicare eligibility.

- k.** List actions required when a military retiree acquires a dependent

Exercise 11: Acquiring a Dependent

List the actions required when a military retiree acquires a dependent (e.g., marriage, birth of a child) and the impact on benefits and coverage.

I. Contrast merging/not merging civilian TSP and military TSP for a military retiree who becomes a federal civilian employee

Exercise 12: TSP Merging Decision

Contrast the pros and cons of merging or not merging civilian Thrift Savings Plan (TSP) and military TSP accounts for a military retiree who becomes a federal civilian employee.

Quiz: (Multiple Choice)

1. CRSC is designed to provide compensation for:

- a) Combat-related disabilities
- b) Retirement annuities
- c) Medical expenses

2. What is the primary purpose of Concurrent Retirement and Disability Pay (CRDP)?

- a) To offset the costs of military healthcare
- b) To provide additional financial support for retirees with service-connected disabilities
- c) To provide life insurance coverage for retirees

3. Tricare For Life (TFL) is health insurance coverage for:

- a) Active duty servicemembers
- b) Military retirees and their eligible dependents
- c) Disabled veterans

References:

- Combat-Related Special Compensation (CRSC), Defense Finance and Accounting Service:
<https://www.dfas.mil/retiredmilitary/disability/crsc.html>

- Concurrent Retirement and Disability Pay (CRDP), Defense Finance and Accounting Service:
<https://www.dfas.mil/retiredmilitary/disability/crdp.html>

- Tax Implications of SBP, U.S. Department of Veterans Affairs: <https://www.va.gov/survivors/survivor-benefits/sbp-tax/>

- Tricare For Life (TFL), U.S. Department of Veterans Affairs: <https://www.va.gov/health-care/about-va-health-benefits/tricare-for-life/>

- Health Savings Accounts (HSA), Internal Revenue Service: <https://www.irs.gov/publications/p969>
- Thrift Savings Plan (TSP), Federal Retirement Thrift Investment Board: <https://www.tsp.gov/>

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