

MilitaryTimes



2018

BENEFITS GUIDE

Pay | Retirement | Health Care | Family Services | Education | VA Loans

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For more information, visit *shopmyexchange.com/veterans*



BENEFITS GUIDE



Senior Master Sgt. David H. Lipp/Air National Guard
Air National Guard Staff Sgt. Lucas Nelson is greeted by his wife and daughters at Hector International Airport in Fargo, N.D., upon his return home Feb. 1 from a six-month deployment.

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2018 MILITARY TIMES BENEFITS GUIDE

Are you one of the million-plus service members who has yet to decide whether to leave the legacy retirement plan for a new model?

Are you attempting to navigate a Tricare system that's undergone a major overhaul in 2018, complete with new contractors, new plans ... and higher prices? Are you looking for guidance — outside the barracks rumor mill or an ad-filled web search — in using the GI Bill, the VA loan program or other common military benefits?

The 2018 Military Times Benefits Guide offers assistance in these and plenty of other areas. Along with the

basic background you'll need to navigate these various benefits systems, we've got directions for reliable research materials, both online and at your installation, that can help fill in the gaps.

Inside, you'll get schooled up on:

■ **Military pay:** How your raises take shape, and what's on the horizon for 2019.

■ **Retirement:** Why the Blended Retirement System could be right for you ... and why you're running out of time to decide.

■ **Tricare:** What coverage options are available, what's going away, and what's under new management.

■ **Housing:** All about your housing allowance, and details on the VA loan program, including refinancing options that have come under government scrutiny.

■ **Family services:** Commissaries, exchanges, financial help, counseling — how to take advantage of all that's available.

■ **Education:** Maximizing your cash and your credits, both in service and afterward.

Need more? Bookmark militarytimes.com/pay-benefits for breaking news and updates to these programs and others.

Main cover image: Sgt April L. Price/Marine Corps. Other images, from top: DanielBendly/Getty Images; Spc. James C. Seals Jr./Army; Southern Arizona VA Health Care System; Julie Mitchell/Army and Air Force Exchange Service HQ. Cover design by Philip Kightlinger/Staff

PAY PRIMER: HOW YOUR RAISE TAKES SHAPE

By Leo Shane III
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A look at the basics that make up your basic pay ... and what could be in store for your bank account come 2019:

What it is: Basic pay is determined by rank and length of service, with automatic raises when troops meet certain time and promotion markers. In addition, each year Congress determines how much of a pay raise all troops should get.

The figure is tied by law to the anticipated increase in private sector pay, but lawmakers in the past have approved smaller raises to save money for other military priorities.

When it happens: The annual military pay increase takes place in January of each year. The White House issues its target for the hike each August, either going along with the projected Employment Cost Index or offering justification for establishing a different rate.

Lawmakers have the final say, however. Typically, the pay raise figure is set in the annual defense authorization act, which has been passed every fall for the last five-plus decades.

The raise is usually applied across the board, although lawmakers made an exception at the height of the wars in Iraq and Afghanistan to provide more money



Stephanie Chasesz/White House

President Trump signs the fiscal 2018 National Defense Authorization Act, which included a 2.4 percent pay raise for troops, on Dec. 12 in the White House's Roosevelt Room.

RECENT PAY RAISES

Year	Raise (%)
2019	2.6 (proposed)
2018	2.4
2017	2.1
2016	1.3
2015	1.0
2014	1.0
2013	1.7
2012	1.6
2011	1.4
2010	3.4
2009	3.9
2008	3.5
2007	1.2
2006	2.2
2005	3.1
2004	3.5

for some midcareer service members to help with retention issues.

What it means: The most junior enlisted service members make around \$18,000 a year in basic pay (not including allowances, special pays and other benefits), while enlisted troops nearing retirement typically earn about \$70,000 annually. Officer pay is significantly higher: The most junior officers clear close to \$38,000 a year while senior officers nearing 20 years of service can make in excess of \$167,000.

That means that even a small change in the anticipated pay raise calculations can make a big difference for military families.

For example, last spring the White House proposed a 2.1 percent pay raise for troops in 2018. But lawmakers went beyond the president's request and approved a 2.4 percent pay raise which started in January, equal to the civilian raise calculation figures.

For an E-4 with three years of service, that difference of 0.3 percentage points means an extra \$83 in take-home pay over the course of a year. For a senior enlisted or junior officer, the difference is closer to \$150 over 12 months.

Outside advocates have said even though those gaps won't cover a mortgage payment, they are the difference

between being able to afford a monthly co-pay for prescriptions or having to go without. That makes even small increases or trims a major issue in the military community.

Since the start of the all-volunteer military force in 1973, Congress has authorized a pay raise of at least 1 percent for troops every year, even during budget cycles where other civilian wages were held steady.

WHAT'S NEW

The 2.4 percent pay raise troops received in January 2018 was the largest they had seen since 2010. Lawmakers have repeatedly hailed that as keeping faith with the sacrifices and service of troops, although part of that mark is attributed to the Employment Cost Index calculation hitting its highest mark in years.

The 2019 pay raise may be even higher. White House officials have proposed a 2.6 percent pay raise for next January, equal to the expected raise in private sector wages.

If that holds, that means a monthly boost of around \$60 for junior enlisted troops, \$100 for senior enlisted and junior officers, and nearly \$200 for senior officers.

The budget debate process is expected to take until the end of the year to settle, but outside advocates are optimistic that the 2.6 percent mark represents the lowest likely raise troops will see. Lawmakers have been more reluctant to trim military pay than Pentagon planners, and in recent years have only increased the White House's proposed raises.

The White House has also paired the pay raise recommendation with a planned increase in military end strength, arguing that personnel totals and benefits will be among the most important steps to rebuilding American military strength.

Still, the plan could be stalled or upended by continued political infighting on Capitol Hill. With the midterm elections scheduled for this fall, lawmakers are expected to break for some of July and most of August to campaign in their home districts.

That shortened legislative schedule could delay final passage of the pay raise until late in the year.

BRS CLOCK KEEPS TICKING

1.6 million troops can choose new retirement plan

The window for 1.6 million service members to select a new retirement system will close at year's end. If you're still on the fence, or unsure whether you're eligible, now is the time to choose — especially if you're leaning toward the Blended Retirement System, where benefits like matching retirement-account funds won't start until you've signed up.

What you need to know about BRS:

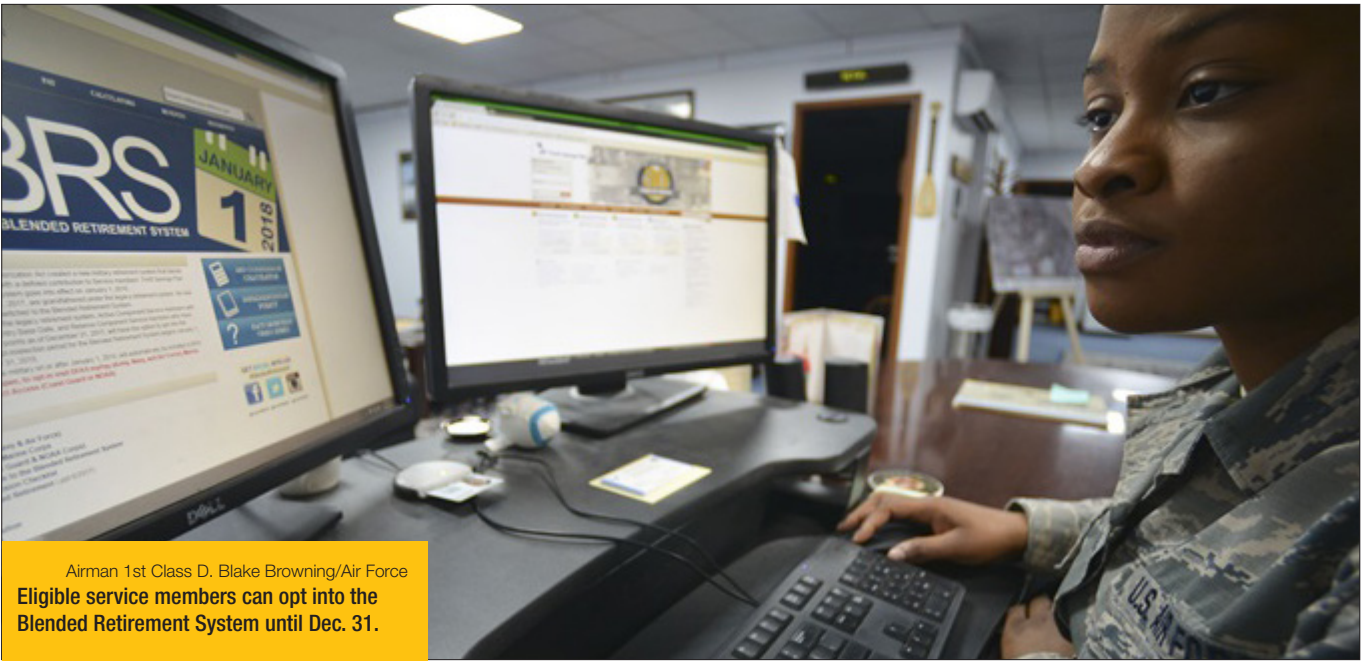
What it is: As of Jan. 1, 2018, all new service members will be enrolled in the Blended Retirement System, which will continue the payment of pensions to those who retire from service while allowing nearly all who serve the chance to realize a retirement benefit via Defense Department matching contributions to their Thrift Savings Plan.

Eligibility: New service members are automatically enrolled in BRS. Another group of service members can opt into the new system in 2018: Active-duty service members who had fewer than 12 years of total service as of Dec. 31, 2017, and reserve-component members in a paid status with fewer than 4,320 retirement points as of that same date. Also, anyone who entered a service academy or signed a service agreement (those in the delayed entry program, for instance) as of Dec. 31 has opt-in eligibility. Service members who had more than 12 years of service at the end of 2017 don't have a choice; they stay with the legacy retirement system.

As of April 10, about 11 percent of the 1.6 million service members eligible to make the choice had opted in to BRS.

The details: Service members (in the category with fewer than 12 years of service) who don't opt in would be eligible for legacy retirement benefits — namely, a pension they'll receive after 20 years of service. Those under BRS would receive the following:

- A retirement pension, but one that's 20 percent less than the legacy system.
- A DoD contribution of 1 percent of your base pay into your TSP account, regardless of your TSP contribution.
- A DoD match for your TSP contributions, maxing out at 5 percent of your base pay.
- Continuation pay: A one-time bonus



Airman 1st Class D. Blake Browning/Air Force
Eligible service members can opt into the Blended Retirement System until Dec. 31.

payment at 12 years of service, in exchange for a commitment to serve an additional four years. As of March 2018, active-duty members are set to get 2.5 times their monthly basic pay as of the first day of their 12th year of service. Reserve and Guard members get 0.5 times their monthly pay.

■ **Lump-sum option:** Retiring service members can collect either 25 percent or 50 percent of their future retirement pay (through age 67) via lump sum at their retirement, spread out up to four years. Retirement paychecks would return to their full amount after age 67; the lump sum is taxable and is discounted by about 7 percent (under 2018 rates) — the Social Security's going "discount rate" for such pension payouts.

Action items: Troops interested in opting into BRS can calculate their estimated retirement benefits in both the BRS and legacy systems using DoD's BRS calculator (<http://militarypay.defense.gov/Calculators/BRS/>). Before deciding, troops must take the mandatory BRS training, available through Joint Knowledge Online, their service's learning management system, and through Military OneSource.

Soldiers, sailors and airmen can opt into BRS via MyPay; Marines are to use Marine Online (<https://mol.tfs.usmc.mil/mol>).

Deadline: Troops eligible to make a choice have until Dec. 31 to opt into BRS. Those who do not opt in will re-

main in the legacy system. Marines have been asked to note (via Marine Online) that they don't wish to opt in; troops in other services do not have to indicate their preference for the legacy system.

More online: <http://militarypay.defense.gov/BlendedRetirement>.

WHAT'S NEW

Defense officials say they've seen a large number of "early adopters" eager to join the Blended Retirement System and take advantage of the matching funds for their Thrift Savings Plan. About 89 percent of those eligible still were weighing their options.

As of April 10, 183,169 service members — 11.18 percent of the 1.6 million troops eligible to choose between BRS and the existing retirement system — had decided to opt in to BRS, according to DoD officials.

- The tally, by service branch:
- **Army:** 7.45 percent (60,405 opt-ins out of 810,301 eligible).
 - **Air Force:** 12.63 percent (47,223 out of 374,003).
 - **Navy:** 14.27 percent (39,798 out of 278,910).
 - **Marine Corps:** 20.35 percent (35,743 opt-ins out of 175,627 eligible).

— Karen Jowers and Kevin Lilley

TSP MATCH

A look at what your Thrift Savings Plan match would be if you opt into the Blended Retirement System.

If you contribute (% of base pay) ...	DoD will automatically contribute ...	And DoD will match ...	Making your total contribution ...
0%	1%	0%	1%
1%	1%	1%	2%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%

MAKING SENSE OF TRICARE'S NEW LOOK



By Karen Jowers
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Unlike other military benefits, the Tricare program has undergone a major overhaul for 2018. As beneficiaries sort out which plan suits their health care needs — and how much more they might be paying for medical visits and prescriptions — here's a look at how it works, and what your options are:

What it is: Tricare is a health care program for almost 9.4 million beneficiaries that offers 11 different options, with choices depending on the status of the sponsor and the geographic location.

Eligibility: Active-duty members; military retirees; National Guard and Reserve members; family members (spouses and children registered in the Defense Enrollment Eligibility Reporting System) and certain others, including some former military spouses and survivors, as well as Medal of Honor recipients and their immediate families.

Tricare beneficiaries who were eligible for and/or enrolled in Tricare as of Dec. 31, 2017, were automatically enrolled in

their respective plans Jan. 1. Because 2018 is a transition year, Tricare beneficiaries are allowed to make changes to their enrollment all year, to help beneficiaries adjust to making their health care choice.

Those entering the military on or after Jan. 1, or changing status (i.e., from active duty to retired) should make sure they and their eligible family members are enrolled in the Tricare program of their choice. Those who don't enroll may only receive care at a military clinic or hospital on a space-available basis, and medical care by civilian providers wouldn't be covered.

The details: Tricare offers two core options: Tricare Prime and Tricare Select. Select replaced Tricare Standard and Tricare Extra in 2018.

All active-duty members are required to enroll in Tricare Prime; they pay nothing out of pocket. Active-duty families can enroll in Tricare Prime without an enrollment fee. Prime beneficiaries are assigned a primary care manager (provider) at their local military treatment facility or, if one is not available, they can

Jason Bortz/Navy

Tricare changes mean more options for some military families, and could mean higher costs for others.

select a PCM within the Tricare Prime network. Specialty care is provided on referral, either to specialists at a military facility or a civilian provider, by the PCM.

Tricare Select is similar to a traditional fee-for-service health plan. Patients can see any authorized provider they choose, but pay a deductible and co-pays for visits. Patients pay lower out-of-pocket costs when they receive care from a provider within the Tricare network.

All Tricare programs have a cap on how much a family pays out of pocket each fiscal year, depending on the sponsor's status and the type of Tricare program used.

The plans: Some background on Tricare's programs; more about each program is online at www.tricare.mil/Plans/HealthPlans:

■ **Tricare Prime:** Prime is similar to a health maintenance organization, which has lower out-of-pocket costs

but requires enrollees to use network providers and coordinate care through a primary care manager — a doctor, nurse practitioner or medical team. It's free to active-duty members and families; retirees must pay an annual enrollment fee (\$289.08 for an individual, \$578.16 for a family in 2018). Those whose initial period of service began before Jan. 1 are grandfathered in to these rates. Co-payments for medical visits are lower than other programs, and there are no deductibles unless patients get care outside the network.

■ **Tricare Prime Remote:** Service members who live and work more than 50 miles or an hour's drive from the nearest military treatment facility must enroll in Tricare Prime Remote. Family members are eligible if they live with an enrolled service member in a qualifying location, or they may use Tricare Select.

■ **Tricare Prime Overseas/Prime Remote Overseas:** Tricare Prime Overseas is a managed-care option for active-duty members and their command-sponsored family members living in nonremote locations. They have assigned primary care managers at a military treatment facility who provide most care and referrals for and coordination of specialty care. Tricare Prime Remote Overseas is a managed care option in designated remote overseas locations, with most care from an assigned primary care manager in the local provider network, who provides referrals for specialty care. Activated National Guard and Reserve members and their families also may enroll in these options while the sponsor is on active duty; retirees and their families aren't eligible.

■ **Tricare Select:** This is a preferred provider plan — authorized doctors, hospitals and other providers are paid a Tricare-allowable charge for each service performed. Costs are higher for out-of-network providers, and certain procedures require pre-authorization. There is no enrollment fee for active-duty families, or for retirees and their families and others whose period of service began before Jan. 1, 2018. Co-pays vary by status and type of care: An in-network primary care outpatient visit costs retirees and their families \$28, for example, while some active-duty family members pay \$21 and others — those whose sponsor entered the network in 2018 — pay \$15.

■ **Tricare Reserve Select:** Qualified Selected Reserve members can buy Tricare coverage when they are in drilling

status — not mobilized. The program offers coverage similar to Tricare Select.

■ **Tricare Retired Reserve:** “Gray area” National Guard and Reserve retirees who have accumulated enough service to qualify for military retirement benefits but have not reached the age at which they can begin drawing those benefits (usually age 60) can purchase this insurance, which offers coverage similar to Tricare Select.

■ **Tricare for Life:** This wraparound program is for retirees and family members who are eligible for Tricare and Medicare. The provider files the claims with Medicare; Medicare pays its portion and then sends the claim to the Tricare for Life claims processor. Enrollees must enroll in Medicare Part A (free for those who paid Medicare taxes while working) and Part B (monthly premium required) to receive Tricare for Life.

■ **Tricare Young Adult:** Unmarried dependent children who do not have private health insurance through an employer may remain in Tricare until age 26 under a parent's coverage via TYA Select or TYA Prime. Premiums are required for both.

■ **US Family Health Plan:** Beneficiaries who live in one of six designated areas, can enroll in this as a Prime option. Those enrolled get all their care, including prescription drugs, from a primary care provider the beneficiary selects, from a network of private doctors affiliated with one of the not-for-profit health care systems in the plan. Beneficiaries don't get care at military hospitals or clinics, or from Tricare network providers when enrolled in the US Family Health Plan.

Action items: Beginning this year, beneficiaries must take action to enroll in a Tricare plan in order to be covered for civilian health care. Those who don't enroll will only be able to get health care at a military clinic or hospital on a space available basis.

That didn't apply to beneficiaries using Tricare as of the end of 2017. They were automatically enrolled in the corresponding plan for 2018. For example, those in Tricare Standard or Tricare Extra were automatically enrolled in Tricare Select, the new plan which replaced those two.

To enroll in a plan, visit <https://tricare.mil/Plan/Enroll>. The site also provides information for those who want to enroll by phone.

More online: www.tricare.mil includes a link to a provider directory, contact information for specific questions, detailed plan information and more educational materials.

WHAT'S NEW

Some of the major Tricare changes taking place in 2018:

■ **Region shuffle:** Tricare North and Tricare South combined to become Tricare East, and Humana Military is the contractor. The geographic area of Tricare West didn't change, but the contractor is now HealthNet Federal Services..

■ **Co-pays up:** Some beneficiaries will face higher co-pays. Retiree families in Tricare Prime, for instance, saw \$12 outpatient visits become \$20 for primary care and \$30 for specialty care.

■ **Drug costs up:** Co-pays for prescription drugs have increased for all Tricare beneficiaries who aren't on active duty. A 90-day supply, home-delivered, of generic drugs that are part of the DoD pharmacy formulary used to be free; it's now \$7. Delivery of 90-days' worth of brand-name formulary drugs now costs \$24, up from \$20. Costs for drugs at retail pharmacies also rose slightly.

■ **Urgent care:** As of Jan. 1, there's no limit to the number of urgent care visits for Tricare Prime enrollees.

■ **Dental plan:** The Tricare Retiree Dental Plan ends Dec. 31, 2018. Those enrolled in or eligible for it can get coverage via the Federal Employees Dental and Vision Insurance Program.

MAKING A CHANGE

Because of the changes to the Tricare program this year, beneficiaries can switch between plans, allowing them to decide which best meets their needs. That grace period ends Dec. 31; after that, enrollees can change plans only during open enrollment periods or within 90 days of a “qualifying life event.”

Examples of such an event:

- Marriage, divorce or annulment.
- Birth or adoption of a child.
- Placement of a child by a court in a member's home.
- Change in sponsor status, such as moving from active duty to retiree.
- Loss of eligibility, such as due to age, Medicare, etc.
- Moving to a new ZIP code.
- Loss or gain of other insurance.
- Death of sponsor, spouse or child.
- Change in eligibility status, such as a dependent child marrying an active-duty service member.

To change your plan, contact your contractor. West Region: 844-866-9378 or www.tricare-west.com; East Region: 800-444-5445 or www.tricare-east.com.



Ameesha Felton/Marine Corps

Military spouses are eligible for career and education assistance programs, including job fairs offered at many installations.

PROGRAMS IN PLACE FOR SPOUSE, FAMILY SUPPORT

By Karen Jowers

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With frequent uprooting of service members to new duty stations across the country and around the world, not to mention deployments and other aspects of military life, Defense Department and service officials have implemented programs to make life easier.

Those programs are wide ranging, from financial readiness programs to youth programs, child care, spouse employment and education programs, relocation assistance, non-medical counseling, special needs programs, legal assistance, tax preparation and many others.

A bit about some of the offerings:

■ **Spouse support:** In the 2017 Blue Star Families Military Family Lifestyle Survey, 43 percent of military spouses cited spouse employment as one of their top concerns. While spouses can visit their installation's family center for employment and education assistance, they can also visit the Spouse Education and Career Opportunities section at MilitaryOneSource.mil for information on scholarships and other education and employment needs.

The Defense Department's My Career Advancement Account program provides eligible military spouses with tuition assistance to pursue licenses, certifications or associate degrees needed for employment in high-demand, high-growth portable career fields and occupations. The maximum education benefit of \$4,000, with an annual cap of \$2,000, is available to spouses of active-duty service

members in paygrades E-1 to E-5, W-1 and W-2, and O-1 and O-2. Learn more at <https://aiportal.acc.af.mil/mycaa>.

Spouses can search thousands of job opportunities on the Military Spouse Employment Partnership site (<https://msepjobs.militaryonesource.mil>). Jobs are posted by companies that specifically want to hire spouses. Before an employer can participate in the partnership, DoD ensures it has career opportunities, financial stability and portable jobs.

■ **Child care:** The Defense Department child care system includes more than 700 child development centers, school-age care facilities and about 2,600 family child care homes, at more than 230 locations worldwide. All are required to adhere to DoD and service regulations, meeting nationally recognized standards for developmentally appropriate curriculum, safety and health. Fees are on a sliding scale based on total family income.

In the summer of 2017, DoD completed its rollout of MilitaryChildCare.com, an online gateway designed to make it easier for parents to find child care at all Army, Air Force, Marine and Navy installations worldwide. This portal gives parents more visibility over what child care slots are available at multiple installations in a given area that might meet their needs. Parents can submit unlimited requests and be placed on multiple waiting lists.

DoD and the services also help troops find high-quality child care in their area and subsidize part of the cost if care is not available on the installation.

UNDERSTAND YOUR BAH

Depending on your rank, location and dependents, your monthly housing allowance may outpace your basic pay. Here's how this big benefit works, a bit about related benefits, and more:

What it is: Basic Allowance for Housing is the modern version of a program dating from 1878 under which service members are provided government quarters or a cash substitute when quarters are unavailable.

As with most other forms of military pay, BAH, which is not taxable, increases with rank and varies according to location and whether a person has dependents.

Eligibility: Any active-duty service member stationed in the U.S. who is not provided with government housing is eligible. Those overseas are eligible for an Overseas Housing Allowance, which is calculated under a separate formula; service members can find out their OHA rate at www.defensetravel.dod.mil/site/ohaCalc.cfm.

The details: BAH rates had been designed to cover 100 percent of the average rental costs for service members. That changed in 2014, when it was scaled back to 99 percent under a law that calls for lowering it to 95 percent by 2019. It's at 96 percent this year; the rest of a service members' housing costs are expected to come out of pocket.

The rates vary widely based on rank and the local real estate market. A junior enlisted soldier at Fort Bliss, Texas, may

get less than \$1,000 a month, while a midlevel officer in San Diego will pocket more than \$3,000.

Service members are protected from falling rates under a policy that allows them to receive BAH at their current rate for as long as they remain at their location, should the rates drop. However, they will receive the new, lower rate if they are demoted or if their dependency status changes, in which case they'd receive the current rate for their new status.

If rates rise in a location, all service members receive the higher rates regardless of when they arrived.

Two rates are set for each location by a survey of rental costs: The with-dependents rate goes to personnel with at least one dependent and does not increase for additional family members. Single people with no dependents receive the without-dependents rate.

If a husband and wife are both on active duty and have a child, the higher-ranking spouse gets BAH at the with-dependents rate and the other gets the without-dependents rate. In dual-military couples without children, the husband and wife both get the without-dependents rate.

Related benefits: *BAH RC/T*, or Reserve Component/Transit, is a non-locality housing allowance for members in particular circumstances, for example, reservists on active duty for 30 or fewer days. It also applies when a member is



Cpl. Isaac Lamberth/Marine Corps

Housing allowances vary widely by location, but are designed to cover nearly all of a service member's rental costs.

in transit from selected areas where no prior BAH rate exists (such as overseas). It does not vary by geographic location. BAH RC/T was set based on the old Basic Allowance for Quarters, or BAQ, which was based on the national average for housing.

BAH-Diff, or Differential, is the housing allowance amount for a member who is assigned to government housing but is authorized a basic allowance for housing solely by reason of the member's payment of child support. A member is not entitled to BAH-Diff if the monthly rate of that child support is less than the BAH-Diff.

Current rates for BAH RC/T and BAH-Diff are available online at www.defensetravel.dod.mil/site/bah.cfm (click on the "Non-Locality Rates" link).

Action items: Find your current BAH amount by entering your ZIP code at www.defensetravel.dod.mil/site/bahCalc.cfm.

More online: Get answers to frequently asked housing allowance questions at www.defensetravel.dod.mil/site/faqbah.cfm.

WHAT'S NEW

In recent years, Senate lawmakers have pushed for significant changes to the military housing allowance, including tying the benefits directly to rent costs and eliminating the second stipend for dual-military couples.

Those efforts have met strong resistance from the Pentagon. Defense officials have stated that DoD views the housing allowance as part of an overall compensation benefit for troops and their families.

They oppose significant changes to any individual stipend without a more comprehensive review of all pay and benefits issues.

Whether Senate lawmakers will make another run at the BAH changes won't be known until early summer. But thus far, the proposals have had little success in the House, where lawmakers have said they do not see the need for any dramatic changes.

— Staff report

HOW TO LAND YOUR VA LOAN

By Kevin Lilley
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Ready to make the leap into home ownership? Here's some background on the VA loan program, which took shape near the end of World War II and has been used by millions of service members and veterans since then: Nearly 3 million have VA-backed loans at present, and more than 740,000 loans were taken out in fiscal 2017.

What it is: The Veterans Affairs Department guarantees a percentage of an eligible beneficiaries home-purchase or

home-refinance loan, allowing the lender to provide more favorable terms and often letting the borrower make the deal without a down payment.

What it does: Eligible service members and veterans can apply, via private-sector lenders, for:

- Home-purchase loans on properties up to \$424,000 — more in some high-cost areas. These can be used to purchase manufactured homes or homes under construction, in some cases, but not mobile homes.

- Cash-out refinance loans, regardless of whether the initial loan is VA-

backed.

- An Interest Rate Reduction Refinance Loan, to reduce the rate on an existing VA-backed loan.

These loans come with funding fees that vary by loan type and veteran status. Veterans using the benefit for the first time on a no-down-payment purchase loan pay a 2.15 percent fee, for example, while a veteran making a second cash-out refinance loan would pay 3.3 percent. A full fee table is available at <https://www.benefits.va.gov> by typing "loan fee" into the search window.

Veterans receiving VA disability compensation are exempt from fees.

Other loans, including joint loans, construction loans and loans to cover costs of energy-efficient repairs, also can be backed by VA. Consult your lender for information.

Eligibility: Service members whose time in uniform falls within these date ranges must have 90 days of active-duty service to qualify:

- Sept. 16, 1940-July 25, 1947.
- June 27, 1950-Jan. 31, 1955.

See next page

HOW TROOPS, VETS CAN SHOP SMART

By Karen Jowers
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Commissaries and exchanges have undergone some major changes in the last year, with more proposals on the horizon that would affect the benefits ... including a proposal by Defense Department officials to consolidate the programs. What you need to know:

What they are: Commissaries are on-base stores that sell discounted groceries to authorized customers. Exchanges are on-base stores (with an online component) that sell a variety of items ranging from clothing and shoes to toys, furniture, home appliances and electronics. They have on-base gas stations and stores that sell alcoholic beverages.

Eligibility: As of Veterans Day 2017, all honorably discharged veterans can shop at online exchanges. This has opened up the exchange online shopping benefit to about 13 million additional veterans who didn't previously have any military shopping benefits. Otherwise, veterans who don't retire from the military generally don't have exchange or commissary privileges.

This veterans benefit doesn't apply to brick-and-mortar stores. By the end of 2017, more than 56,000 veterans had shopped at Shopmyexchange.com using the tax-free benefit.

In general, anyone with a valid military ID card can shop in commissary and exchange stores and online. Also eligible



Kevin Robinson/Defense Commissary Agency
In addition to self-checkout options, commissaries are experimenting with self-bagging lanes. Here, a customer checks out at a Fort Lee, Virginia, store.

are 100 percent disabled veterans, surviving spouses, and former spouses with dependent children.

The details: For decades, commissary items were sold at cost from the manufacturer or distributor, plus a 5 percent surcharge used to build and renovate stores. That changed in 2017, when officials began using new authority to raise and lower prices — responding, they said, to outside-the-gate competition.

Lawmakers require that any price changes can't change the overall level of customer savings, but those savings will vary depending on what's purchased. DoD has put increasing pressure on commissary officials to reduce the amount of taxpayer dollars — about \$1.3 billion a year — to operate the stores.

On the shelves: Along with price changes, customers have seen expanded private-label, or store-brand, offerings. Among the first were bottled water and plastic bags; they've expanded to include cheese, rice and dry beans, foam and plastic plates, shelf stable juices, water enhancers and powered soft drinks, paper towels and bath tissue.

WHAT'S NEW

More private-label products have either hit commissary shelves recently or will arrive soon, including baking goods, ketchup, mustard, peanut butter, mayonnaise, broth, cooking sprays, canned beans, and other items. Officials plan to increase the inventory of such products gradually to about 3,000 to 4,000 items.

Behind the scenes, Defense Department officials have been working on a plan to consolidate the commissaries and exchanges into a single "defense resale enterprise." It's a draft proposal; the law will have to be changed, and it's unclear how lawmakers will react.

While customers are paying less for some products, the commissaries no longer carry some popular national brands.

At checkout: In late 2017, commissaries began to accept the Military Star card, which is a credit card program run by the Army and Air Force Exchange Service. Commissaries continue to accept other forms of payment, including other major credit cards, but those card issuers charge the government transaction fees; the Military Star card doesn't.

Anyone who doesn't pay the Star Card balance in full each month will pay interest; that money goes back to support the exchanges and morale, welfare and recreation programs.

From previous page

■ Aug. 5, 1964-May 7, 1975 (Note: For those who served in the Republic of Vietnam, this era begins Feb. 28, 1961).

For loan purposes, VA considers "Gulf War" service beginning Aug. 2, 1990, and continuing through the present day. Service members from that time period must have completed 24 months of continuous active-duty service to be eligible, or at least 90 days and have completed the full term of service, or been discharged for hardship cases, reduction-in-force, "convenience of the Government" or other similar reasons.

If your time in uniform doesn't apply to the date ranges above and you were enlisted and separated on or before Sept. 7, 1980, or if you were an officer and separated on or before Oct. 16, 1981, you need 181 continuous ac-

tive-duty days to qualify.

If your service came after the above date ranges, you need 24 months of time in, or at least 181 days and a) a complete term of service or b) a discharge for reasons similar to the section above.

Troops now on active duty become eligible after 90 days of service for as long as they remain on active duty. Reserve and National Guard members become eligible after six creditable years in service. Troops discharged for a service-connected disability are eligible regardless of service length.

Some spouses also are eligible, as are other groups of veterans granted eligibility by Congress. For more eligibility details, visit VA's eBenefits site (www.ebenefits.va.gov) or call 877-827-3702.

Action items: Service members and veterans must obtain a Certificate of Eligibility, either through the eBenefits site or via their lender, to be eligible

for a VA-backed loan.

Those seeking to refinance existing loans should read lenders' advertising material carefully: VA and the Consumer Financial Protection Bureau issued a "warning order" in November against deceptive lending practices.

Among the red flags: Aggressive sales tactics, low interest rates with unspecified terms and promises that borrowers can skip a mortgage payment as part of the new loan — a practice prohibited by VA.

Deadline: VA loan eligibility does not expire, though the entitlement can only be used for the borrower's place of residence (not a rental property). It can be reinstated after the loan is paid off or under other circumstances — another veteran can assume the loan, for instance.

Learn more: www.benefits.va.gov/homeloans; www.militarytimes.com/home-hq.

WHAT'S NEW

Are you among the VA-backed loan-holders who've been deluged with offers to refinance?

Government officials have begun taking action to curb these practices. In addition, a banking-reform bill that passed the Senate in March could include some relief.

Should the VA-related language in the Senate bill survive further lawmaker negotiations, the bill would prohibit lenders from offering VA-backed refinance loans within six months of a veterans' initial loan.

Lenders also would need to provide borrowers with a "net tangible benefits test" that outlines the full financial scope of the refinanced loan, so borrowers have a complete picture of what they're saving over time.

The language was part of a bipartisan bill introduced in mid-January by Sens. Thom Tillis, R-N.C., and Elizabeth Warren, D-Mass.



Heather Clark/Army via Fort Campbell Courier

Those in service for more than three years receive full Post-9/11 GI Bill benefits. They can transfer those benefits to their dependents if they serve six years and agree to an additional four after the transfer is approved.

KNOW YOUR GI BILL BENEFITS

By Natalie Gross
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If you served in the military after Sept. 10, 2001, you may be eligible for Post-9/11 GI Bill benefits, as well as those included in the “Forever GI Bill” that became law in 2017. Here’s what you need to know:

What it is: The Post-9/11 GI Bill is a generous education benefit for the latest generation of service members and veterans. It includes payment of tuition and fees, a monthly housing allowance, and a stipend for textbooks and supplies.

Eligibility: The amount of time you spent on active duty determines your benefit level. Though the Forever GI Bill will change these calculations starting in 2020, here’s how they stack up now:

■ **100 percent:** 36 months or more, or at least 30 continuous days and discharged due to service-connected disability.

■ **90 percent:** At least 30 months, less than 36 months.

■ **80 percent:** At least 24 months, less than 30 months.

■ **70 percent:** At least 18 months, less than 24 months.

■ **60 percent:** At least 12 months, less than 18 months.

■ **50 percent:** At least 6 months, less than 12 months.

■ **40 percent:** At least 90 days, less than 6 months.

■ **No benefit:** Less than 90 days.

The Marine Gunnery Sergeant John David Fry Scholarship Program allows children or spouses of service members who died in the line of duty on or after 9/11 to use the GI Bill. These benefits are available at the 100 percent level to children between age 18 and 33, as well as spouses who have not remarried.

Transfer rules: Service members may transfer their benefits to a dependent, provided they have already served in the military for at least six years and agree to serve four more after the transfer is approved by the DoD. The transfer must happen while you are still in uniform,

however; veterans who have already separated from the military are not eligible to transfer their benefits.

What it covers: You can use your benefits toward an education at a college, university, trade school, flight school or apprenticeship program.

While the benefit covers all in-state tuition and fees at public institutions, it may not have the same reach at a private school. The national maximum able to be used at private schools for the 2018-19 school year will be \$23,671.94.

Some schools participate in the Yellow Ribbon Program, a voluntary agreement with the Veterans Affairs Department to split school costs not covered by the GI Bill. This reduces or eliminates the amount students must pay themselves. This program is open to veterans or their dependents who are eligible for the full GI Bill benefit.

It will also be available to post-9/11 Purple Heart recipients and surviving dependents on the Fry Scholarship, in time for the fall 2018 semester; active-duty troops will qualify for Yellow Ribbon in 2022.

The monthly housing stipend GI Bill users receive depends on the level of benefits they’re eligible for and how many courses they take. Starting in August, the Veterans Affairs Department will base your housing allowance on the cost of living in the location where you take the most classes — a change from current policy, which uses the ZIP code of a school’s main campus.

The rate is determined by DoD’s Basic Allowance for Housing scale and is paid at the same rate an active-duty E-5 with

dependents would receive. If you are pursuing a degree entirely online, you get half of the national BAH average.

Action items: You can apply for the Post-9/11 GI Bill online (www.vets.gov/education/apply/) or by visiting a local VA regional office. If you’ve already chosen a school or program, arrange a meeting with the institution’s VA certifying official, who can help you get started.

More online: GI Bill Comparison Tool (www.vets.gov/gi-bill-comparison-tool).

WHAT’S NEW

If you’re already using your Post-9/11 GI Bill benefits, the monthly stipend you receive for rent could look a bit different this fall because of the previously mentioned location determination change.

Other changes on the books:

■ Veterans no longer are required to use Post 9/11 GI Bill benefits within 15 years of separating.

■ Active-duty service members who are on the GI Bill are eligible for a housing stipend the day after they get out of the military, instead of the next month.

■ Housing stipends have dropped for new GI Bill enrollees (as of Jan. 1), putting them on par with what active-duty service members receive at the E-5 (with dependents) rate. Those enrolled prior to Jan. 1, 2018, won’t see a change.

■ Reservists who are forced to leave school because of a mid-month activation will get their monthly housing allowances on a pro-rated basis. They used to lose the entire month’s worth of benefits.

THE END OF LATE FEES?

A bill recently introduced into the House of Representatives would require schools to adopt a policy stating they will not deny access to classes or facilities, impose late fees, or make students pay out-of-pocket because of an unpaid balance — if a student has provided a certificate of eligibility for VA benefits.

The legislation, put forward by Rep. Gus Bilirakis, R-Fla., would apply to VA benefits paid directly to the school,

such as the Post-9/11 GI Bill and the Fry Scholarship for surviving dependents.

Barring a waiver from the VA secretary, schools that don’t adopt this policy would be ineligible to enroll students using such benefits. The legislation, dubbed the SIT-REP Act, has garnered bipartisan House support and backing from veteran service organizations, including the American Legion, Student Veterans of America and the Tragedy Assistance Program for Survivors.

SCHOOL IN SERVICE: HOW TO MAKE TA WORK FOR YOU

By Natalie Gross
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While service members can begin to use their GI Bill benefits while on active duty, they also can receive significant aid from their service branch in pursuit of higher education. How that tuition assistance works, and why you'll need to keep your grades up:

What it is: TA is a federal benefit that covers the cost of tuition, up to particular limits, for active-duty service members, as well as some National Guardsmen and reservists. The funds are paid directly to schools by the service branches.

Eligibility: Each service has its own requirements.

■ **Coast Guard and Air Force:** No service-length requirement, though the Coast Guard has unit-specific requirements and requires commanding officer approval. All Air Force officers incur a service requirement if they use TA.

■ **Navy:** Sailors must wait until they've been at their first permanent duty station for a year, unless they get a waiver.

■ **Army:** One-year waiting period after completion of Advanced Individual Training, Basic Officer Leader Course or Warrant Officer Basic Course.

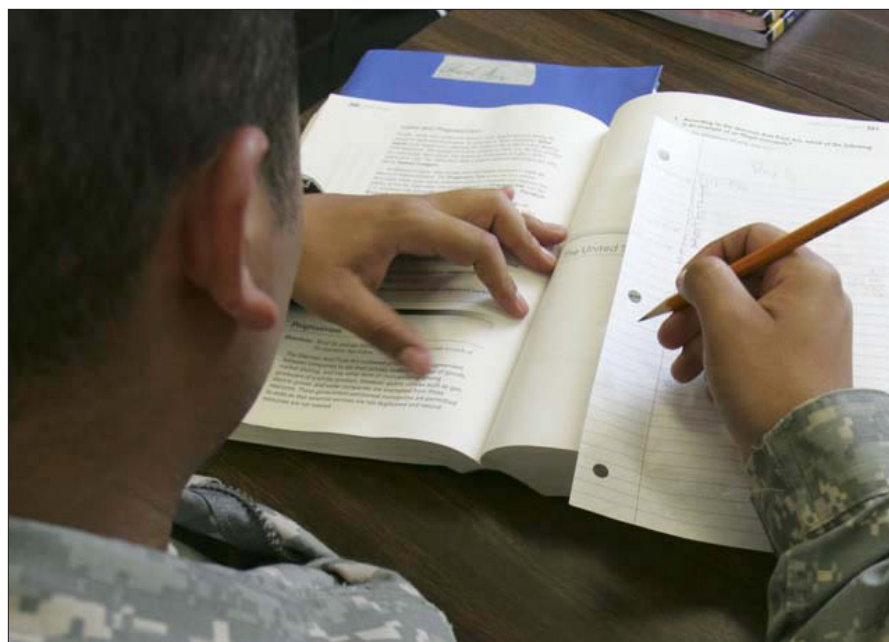
■ **Marine Corps:** 24-month waiting period, plus other conditions.

■ **Guard/Reserve:** Soldiers who are activated or on drill status are eligible under the same conditions as active-duty Army personnel. Air National Guardsmen and reservists of other branches are eligible for TA if they are activated, and the use of TA often comes with a service obligation for a certain amount of time once the last course is completed.

Limits: The Defense Department caps tuition assistance at \$250 per semester hour and \$4,500 per fiscal year. The Coast Guard recently decreased its annual cap to \$2,250 per year, down from \$4,000. The Navy and Army set limits at 16 semester hours per year.

Generally, TA funds can be used to pursue a higher degree than what you have already earned, up to the master's degree level. If you have a bachelor's degree, you can use it to pursue a graduate degree — not an associate or second bachelor's, though there are some exceptions. Some branches require you to create a degree plan or take a branch-specific course before your TA benefits are approved.

Grades: If you do not perform well in a class or need to withdraw for reasons other than personal illness or military duty, you will be required to pay back the funds used for that course. All branches require service members to earn a "C" grade or better for undergrad-



Army

Service members using tuition assistance must repay the benefit if they don't meet academic performance standards.

uate courses and a "B" grade or better for graduate courses; anything lower requires reimbursement to the U.S. Treasury.

In the Air Force, service members must maintain a grade-point average of at least 2.0 for undergraduate work or 3.0 for graduate work. They are eligible for the benefit again once they have raised their GPA above the threshold.

Schools: To accept tuition assistance funds, colleges and universities must sign a memorandum of understanding with the DoD, agreeing to comply with a set of rules related to recruiting and educating military students. To enter into the agreement, institutions must be regionally or nationally accredited, state-approved to accept the GI Bill and certified to participate in federal student aid programs.

TA or GI Bill?: If you have served for at least 90 days on active duty since Sept. 10, 2001, then you are eligible to receive Post-9/11 GI Bill benefits. You may use these benefits while on active

duty, though experts suggest using your tuition assistance first.

If you take advantage of the Post-9/11 GI Bill while you're still active, you will not receive an additional monthly housing stipend with the benefit as you would if you waited until separating from the military. If you choose to use it while on active duty to supplement the cost of your education not covered by TA, you will need to apply for veterans benefits and contact your school's certifying official who will formally submit your enrollment in VA benefits.

Action items: Search for schools that have signed DoD's memorandum at www.dodmou.com. To apply for TA, visit your nearest education service center or visit your branch's education website for details.

More online: Get the latest military education news, as well as updates to transition benefits and scholarship opportunities, at Military Times Rebootcamp — Rebootcamp.militarytimes.com.

BILL WOULD LET TROOPS USE TA OUTSIDE TRADITIONAL SCHOOLS

By Leo Shane III
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Service members could use their military tuition assistance for training programs outside of traditional colleges and universities under legislation introduced in March in the House and Senate.

The plan, offered by a bipartisan group of lawmakers in each chamber, would allow eligible troops to use the money for licensing, credentialing and certification

programs offered outside of institutions of higher education.

Backers said the change is needed to help better prepare service members for post-military life, and recognizes that not all civilian jobs require a traditional four-year degree.

"We have an obligation to ensure service members have access to the resources they need as they transition to civilian life," said Sen. Joni Ernst, R-Iowa, who is co-sponsoring the Senate

proposal with the chamber's Veterans' Affairs Committee chairman, Johnny Isakson, R-Ga., and ranking member Jon Tester, D-Mont.

"Service members possess unique skill sets that make them great candidates for many in-demand jobs, but the current system makes it difficult for service members to obtain the licensing or credentialing needed for those jobs. As many skills based jobs do not require four-year degrees, [this bill] would allow

service members to receive the [assistance] they need in a more expedient manner."

Tester called it a "commonsense measure" that provides more flexibility in preparation for a modern civilian workforce.

"The jobs of the 21st century evolve quickly, and today's workers never stop learning," he said in a statement. "We're committed to helping our service members succeed at every stage: on active-duty, in the reserves or as a veteran."

Transition assistance for troops has been a major focus for lawmakers in recent years, with a focus on allowing service members to more easily transfer their military skills to civilian-sector jobs.



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