

## YouTube Video — Survivor Symposium, February 2025

### Video transcript

#### **Brian Belkey:**

Military Funeral Honors. My name is Brian Belkey and I'm from the Office of Casualty, Mortuary Affairs, and Military Funeral Honors, and I will moderate today's symposium. First, let me cover the DOD Survivor Symposium event disclaimer. Next slide, please. The presence of links and information in presentations during the Defense Department Survivor Symposium does not constitute endorsement by the DOD. The opinions expressed in the presentations and on the following slides are solely those of the presenter. Next slide.

As part of the Department of Defense commitment to survivors of active-duty deaths, the DOD is hosting the Survivor Symposium. The symposium will provide a platform for survivors and service providers to learn and gain information on a variety of important topics. This meeting is being recorded. During the symposium, attendees will be unable to use their microphones or video. The chat function and raise hand function should also be disabled. Please submit any questions you have in the Q&A box at the bottom of your screen.

The panelists will respond to select questions from the Q&A box at the end of each of our topics today. Responses to additional questions may be answered, time allowing, at the end of all briefings but before we conclude the symposium. A recording of this symposium will be posted to Military OneSource after the event, once we have the recording all done. Next slide. Today, we will be discussing updates from the Defense Finance Accounting Service and Department of Veterans Affairs, details about the online survivor benefits reports, consideration of tax implications for deceased military personnel, and personal property tax abatements for surviving spouses, and lastly, how financial counseling can benefit survivors. Next slide.

We are pleased to announce that we already have a date and topics for our next symposium. The next DOD Survivor Symposium will be held June 27, and our topics will include details about the College Success Roadmap Series, financial milestone tips and reminders for military survivors, an overview of Military OneSource for surviving children, the Exceptional Family Member Program, and updates from Department of Defense, Defense Finance Accounting Service, and the Department of Veterans Affairs. Next slide. It is now my pleasure to introduce Ms. Kelley, the acting deputy assistant secretary of defense for Military Community and Family Policy, for opening remarks. Ma'am, the floor is yours.

**Lee Kelley:**

Hi, Brian. Can you hear me OK?

**Brian Belke:**

I hear you, and let's see if we get your camera to come on.

**Lee Kelley:**

All right. Yeah, let me know if they can enable that so I can ...

**Brian Belke:**

There, see if it shows on your end. There you go.

**Lee Kelley:**

All right. You got me?

**Brian Belke:**

Gotcha.

**Lee Kelley:**

Wonderful. Brian, thanks for the introduction. Good morning, everyone. I am really proud to be here today, to open MC&FP's third Survivor Symposium. I'm a post-9/11 enlisted Army veteran myself, and this community here today, is very near and dear to my heart. We're gonna share with you some updates about the work that we've been doing, but what's gonna be most important today is your input. Your questions, your insights, your feedback are critical.

Bringing this community together helps us to learn what we're doing well and where we need to make improvements. For example, we've made some updates to our Military OneSource website that are designed to improve your experience online by making the information, resources, support you may be trying to find, easier to obtain. With a new Get Personal Support drop-down menu available through MilitaryOneSource.mil, eligible users can learn more about Military OneSource services, such as confidential counseling and then schedule an appointment.

You can also find our relevant content using the streamlined Browse by Topic drop-down menu, which organizes the info into categories, such as Survivor and Casualty Assistance. For service providers, we've added a link in our footer that allows you to quickly access program pages, including Casualty and Mortuary Affairs. Please check it out.

We've done quite a bit of work on the website with the goal of making it easier, and so we'd love to know your feedback. Just to wrap up my comments today, I hope that you're gonna gain some information today that's gonna be of use to you, on important topics, and that you're gonna have a chance to hear from, firsthand, our subject matter experts in this space. And we are proud to serve you today and always. And now, I'd like to turn it back for some opening remarks. Thanks, Brian.

**Brian Belke:**

All right, thank you. And thank you, Ms. Kelley. Our next speaker is Ms. Lisa Valentine, who is the program manager for our Casualty, Mortuary Affairs, and Military Funeral Honors program. Lisa, the floor is yours.

**Lisa Valentine:**

Thank you, Brian. And thank you, Ms. Kelley. Welcome all, wherever you are in the world, to the third edition of the virtual Defense Department Survivor Symposium. My name is Lisa Valentine and I am the program manager for Casualty, Mortuary Affairs, and Military Funeral Honors.

And like Ms. Kelley said, your feedback from these sessions helps our office deliver the resources you need throughout the year. We're proud to serve you, and we are here for you today and always. We have a lot in our agenda today, and with our goal being to help our survivors of active-duty deaths and all of you who provide assistance to them with some important financial matters. We hope that you'll find this program informative, and please feel free to ask questions.

Tax season is upon us as many of you know, and much of what we would like to share with you today are things that can help you as survivors, ease some of the financial burdens you may have and make decisions that can be of great benefit going forward. We'll discuss updates from the Defense Finance Accounting Service and Department of Veterans Affairs.

We will also provide D-10 Survivors Benefits Reports, which you can use to determine the financial benefits survivors should be receiving, as well as help you project future benefits. We will also give you an overview of the financial counseling options available for Military OneSource as you move forward. Finally, we'll discuss the tax implications for deceased military personnel and property tax abatements for surviving spouses. And please, please mark your calendars for our next virtual symposium scheduled for June 27 from noon to 3:00 p.m. Eastern time.

The June event will be covering multiple topics, like Brian showed earlier, including insight into the College Success Roadmap Series, and we'll continue to provide financial milestone tips and reminders for military survivors. Our program will also offer a look at the Exceptional Family Member Program and Military OneSource benefits for surviving children. I'd also like to remind our survivors that you can offer feedback, ask questions

and make suggestions on matters important to you by using our Surviving Family Member Inquiry Form, which can be found on our Support After Loss page on Military OneSource. Just go to the Military OneSource homepage, select Browse by Topic at the top, click Survivor and Casualty Assistance and then click Support After Loss. From there, you can choose the option to access the inquiry form.

**Lisa Valentine:**

Somebody has a hot mic. By filling out this form, the Defense Department can better serve you and provide a response. A Casualty Assistance program manager will contact you within five business days, confirming that your information was received. So thank you again for being here and letting us serve you. Back to you, Brian.

**Brian Belke:**

Thank you, Lisa. If we go to our next slide ... Our first presenters are from the Defense Finance and Accounting Service, Retired and Annuitant Pay section. Ms. Julie Burandt-Partin is the director, and Mr. Nathan Lynix is a financial system specialist. Nathan and Julie, it's over to you, and let's make sure we can get your mics and cameras on.

**Julie Burandt-Partin:**

I think we're good. Can you hear me, Brian?

**Brian Belke:**

I got you and I see you. Perfect.

**Julie Burandt-Partin:**

Thanks, Brian. Hi, my name's Julie Brandt-Partin, I am the director for Retired and Annuitant Pay here at DFAS, Defense Finance and Accounting Service. I'm not gonna take a lot of time, Nathan Lynix, actually, has the information that you want to hear about. But before Nate gets started, I wanna foot stomp some communications, new communications that we have going out to survivors.

He's gonna tell you about them, and I just want to share that those were taken as a direct result of feedback from this symposium and some other survivor events that we had the privilege of joining our other partners at. So I know Ms. Kelley, I think, said it earlier, it's so important that you give us your feedback, what matters to you. Lisa said it as well.

If we can, we'll take action. Nate's gonna talk about these communications efforts, and I really believe communication is key for so much, right? And it seems simple sometimes, like, "Hey, can you guys just let us know when this happens or that happens?" Those

simple things sometimes mean everything. So just please provide us that feedback, and I just wanted to foot stomp a couple of the things Nate's gonna highlight.

One was directly from this last symposium, and like I said, and others were taken from other survivor events we had the privilege of being at. So we're really grateful to hear back from you. And I'm gonna turn it over to Nate so you can hear the real stuff that he's gonna share with you. Over to you, Nate.

**Nathan Lynix:**

All right. Thank you, Julie. Can we go to the next slide? So like she said, my name is Nathan Lynix. I'm an analyst here, a financial systems specialist here at Retired Pay. I've been working here for almost 20 years, 19 years now, and mostly in the Retired and Annuitant Pay section.

I really enjoy what I do, and especially getting to talk to retirees and annuitants about what we're doing. So one of the things that I want to make sure, what I want to talk about, is we are right in the middle of tax season right now. And I wanna make sure that you have all the information that you need to make your tax season as successful as possible.

So one of the big things that we see are people, retirees and annuitants, that did not receive their 1099. And one of the main reason that they didn't receive the 1099 is that their contact information isn't up to date. And so some of the best ways that you can update your mailing address is through myPay. If you're not in myPay, and, honestly, a lot of annuitants aren't in myPay, I can't recommend enough that you get into myPay. MyPay is such a great tool for retirees and annuitants to manage their pay accounts, and it's just a ... Like I said, it really is the best way to do this.

You can go into myPay, there's some other things you can do in myPay besides updating your mailing address, you could get your 1099 directly from there, you don't have to wait for it to be sent to you through the mail. You can also change your mailing address, and you can also complete your annual certification, that Survivor Benefit Plan - Marital Status Update that we send out. I'm gonna talk a little bit more about that on the next slide, but you can complete all of that in myPay as well. To get to myPay, there's a key chain icon that you see on this slide. If you go to our website, which is DFAS.mil, www.DFAS.mil, look for that key chain and click on there. There are instructions out there on how to create a myPay account if you don't have one. But that'll also take you to the login site so that you can go in and update your address, get your 1099 and all the other things that you can do in myPay.

AskDFAS is another tool that we've been doing a lot of improvements to. You can see this on the right side there. This is a screenshot of our website, and you can see on the left side, there's a link at the top called Quick Tools, and right below that is the link to askDFAS. AskDFAS is a site where you can go out and you can ask questions. You can also upload forms. And so right below that askDFAS link is a Forms Library. In there, you'll find the form to update your address, and you can either use that form and

submit it to us through askDFAS, or there's actually a function in there where you can type in your new address, and it'll be submitted to one of our customer care representatives, and they'll update your address based on the request from askDFAS.

The next way is you can call somebody in our customer care center. We have representatives available from Monday through Friday from eight in the morning till five at night Eastern time to take your calls, and they can update your address in the customer care center. They can also send out that 1099 to you. And the last way is just through the regular mail. You can submit a request to us in the regular mail. This is, you know ... Obviously, it's the slowest way to update your address, as it's highly dependent on the mail service to get it to us. And then once we get it, it'll be processed within 30 days.

So the top three ways, you know: myPay, askDFAS or the customer care center are much faster than the mail. And like I said, we can't recommend myPay enough as the way to go in and manage your mail. One thing I wanted to go back to that I missed when I was talking about askDFAS requests like address changes, you'll also get ... When you submit the request to us, you'll get status notifications from us. So part of the submission process for askDFAS is to give us your email address, and then once that request is processed, we'll let you know that it was processed. So that's a nice feature of askDFAS as well.

You don't have to, you know ... Like, if you just sent the request through the mail, you might not know exactly when that request is processed, and after a while, you'd probably end up calling the customer care center anyway, to find out what the status of your career request was. So another key thing that we wanna make sure everybody is doing to make sure that their tax season, this tax season and your next tax season, are as successful as possible. Is making sure that your tax status is what you want it to be.

Like I said, you can go into myPay and you can verify what your tax status is, and if for some reason, your tax status isn't what you want it to be, you can make that change right in myPay, or you can call the customer care center. After they look up your account, they can let you know what the tax status is, but they cannot change it over the phone. You would either have to go into myPay, like I said, and make the change there, or you could go to the Forms Library on our website and print out an IRS form W-4P and complete that, and either submit it through askDFAS or send it to us in the mail.

But like I said, myPay, again, if you log in, you have an account. You can make that update right there on myPay. It'll be updated right away for your next paycheck. And then down at the bottom, we have a link to our Quick Tools page. It's also in that fixture right there. It's on the left side of the website when you go out there. The Quick Tools page just takes you to many of the hot topics that we see. When we notice that a lot of people are asking similar type questions, we create links to the answers and we put them on that Quick Tools page.

Let's go to the next slide. So like Julie said in the opening, we're listening, we're responding, we like hearing back from retirees and annuitants about what we're doing

well, what we're not doing well, what you would like to see. We're at events put on by the Department of Defense, like this event, or the Veterans Affairs. There's survivor outreach services that we're attending now. TAPS does some events that we're involved with too.

That's the Tragedy Assistance Program for Survivors. And the Gary Sinise Foundation as well, puts on some events. And we're there. We're listening to what annuitants are telling us to do and what they would like to see. And these are some of the projects down here that we're working on. You know, like I said, making those easy-to-follow instructions to help get more people, more annuitants especially, in myPay, you know, like I said.

The percentage of annuitants that are in myPay is not where we'd like to see. We'd like to see many more annuitants join myPay so that they can have access to all the tools that come with that. One of the other things that will make being in myPay beneficial is that we send out notifications throughout the year, and if you're not in myPay, you won't get those. And one of the new notifications that we just started just this month in February, is a notification to annuitants who need to complete that Survivor Benefit Plan - Marital Status Update, SBP-MSU as we call it.

We're sending a smart doc to every annuitant that needs to complete that about 60 to 90 days before it's due. And in that smart doc or email notification that you receive, it has a link to myPay and it has instructions on what you need to do in myPay to actually complete that certification, that verification.

And then you'll still receive one in the mail. Until we see more annuitants doing this through myPay, we're gonna continue to mail them out as well. But just so you know, like, if you do complete that in myPay, when you get the mailed version as well, you can just disregard it. But like I said, that SBP-MSU, you can complete in myPay, doing that in myPay will also eliminate the need to mail it into us and avoid any pay disruptions that may come from delays in the mail service or processing times.

Another thing that we're working on are some checklists to help annuitants know what they need to do. The two big ones that we're working on for this year are checklists for what you need to do if you have an incapacitated child and how to make sure that their annuity goes smooth, that we have all the documents that we need to keep that annuity going. You know, because we never wanna see pay get disrupted because we're missing some piece of information, and so creating that checklist will help limit the number of pay disruptions that are caused by that.

And also the other big checklist that we're working on this year is for child annuitants turning 18. Turning 18, I have a son who just turned 18, and it's very ... It's ... I don't know what to say. It's like ... It's a weird situation because, you know, we still look at him as a child, but because he's 18, there are things that we can't do for him anymore because he's legally an adult, and it's no different with SBP.

Once a child annuitant turns 18, they are the ones that have to initiate things like address changes, requests for 1099s, bank information changes. Any form that comes to

us would need to be signed by the child annuitant now that they're 18, rather than the parent. And so we're just gonna create a checklist to help with that transition for child annuitants turning 18. And the last thing that I wanted to talk about today was this letter to annuitants, to spouse annuitants, who are turning 55. When a spouse annuitant turns 55, they no longer have to complete that SBP-MSU I was talking about earlier.

And so we're now sending an actual letter, a physical letter, to every annuitant who turns 55, to let them know that this has changed, that they no longer need to look out for that SBP-MSU in the mail, or a notification online to complete it, because their continued eligibility is no longer linked to their marital status. And so, like I said ... So, like I said, those will be going out every month to annuitants who have just turned 55. And that's all that I have for today. I believe if there are questions, you can ask.

**Brian Belke:**

If anybody has questions ... We've answered some of them in the Q&A window. If you wanna take a look, Nathan, at any of those you just want to call out, or for anybody in the audience, if you do have a question you'd like, please put it in the Q&A window, which should be down in your menu bar, and we'll either answer it in the Q&A app or ... Yeah, so depending on our speakers and the time, and we're a little ahead, so if there's any Julie or Nathan wanna call out online here.

**Julie Burandt-Partin:**

Hey, Nate. I'm reading on your myPay instructions: Please also consider guardians managing benefits for child annuitants. So we will take that for action and do a more detailed instruction path on those for guardians managing the benefits of child annuitants. So that's the one I see open, Brian. I think the others were answered, maybe.

**Brian Belke:**

Yeah, others have been answered in the chat, but I don't know if it was worth mentioning any of those. And I'll just do the ... You know, I got the first question on: Will the slides be emailed out? We don't email out the slide deck. Transcripts and a recording of this will be available on Military OneSource.

I'll put the link in at the end of the symposium for the chat, but we've got our last two symposiums posted, and this one will be posted once it's processed and put in the right format. So those will always be available as we go ahead, and in case there's a topic that we covered in the past, you can go back and see if there's one of interest to you. And, you know, we're welcome for suggestions on how to make that better. I think if we're good, and I already see Ms. Duff has her camera on, so thank you, Nathan.



**Nathan Lynix:**

All right, you're welcome. Thank you.

**Brian Belke:**

We'll move on. Our next speaker is from the US Department of Veterans Affairs. Ms. Ann Duff is the director of the Office of Survivors Assistance, and she'll provide an update for us. So, Ann, it's all yours.

**Ann Duff:**

Great, thanks so much. Next slide, please. You know, good afternoon, everyone. Good morning, good evening. You know, we love coordinating with our partners at DFAS and DOD to get this information out to everyone, and we appreciate you joining us because this is just such a great forum to get out information. From the VA perspective, this month, we don't have a lot of changes. I'm sure you all have heard about the Dole Act that was signed in January.

And, you know, from the survivor perspective, there are not a lot of changes. There is increased support for caregivers who are potentially taking care of veterans, and, also, they're working on some procedural improvements for the claim. So there's nothing hugely significant in that bill for survivors. But we will pull this apart a little bit more, and then at our Survivors Forum in April, we will talk about that a little more. Next slide, please.

OK, this is ... You know, this cannot be said enough and, you know, when Nathan was talking about updating your information in myPay, I thought about this, and also when he talked about verifying your marital status. You know, the VA and DFAS are two completely different departments, and at this time, you cannot update one and have that fed to the other. So I'll say that recently, we have had several spouses who perhaps were sent their Marital Status Update questionnaire in early spring of 2024, and maybe it went to the wrong address or maybe they didn't respond to it, so then they got two more notices, and then the third notice said, you know, you were stopping your DIC.

And as a matter of fact, now you have created an overpayment, you have been overpaid, and so now you have a debt to the government. And it seems like when some survivors have gotten that debt notice, they suddenly realize, "Oh, I should have responded." So what we ask is remain focused on, you know, updating your contact information.

If you move, there's no way for us to know that unless you tell us. And then, also, if you get a letter from the VA ... and I know sometimes you get lots and lots of things from the VA, I'm a veteran myself. There are times when I get lots of information, but, you know, take a quick look, you know, open it up, see what it is, and see if it's just a little bit of information or it's something you have to respond to, because we just need to make

sure that, you know, you're opening your mail, and you are responding back with the information requested, if that would be the case.

And sort of also harking back to Nathan's presentation, that update about the marital status, if you updated it on DFAS, you have not updated it for the VA. So there are two separate requirements, for the VA. You have to update it about every four years. We'll send out a letter. You know, I know it's a little different from DFAS, but just know that because those are two different systems, they are not talking to each other. So it's just really important that you give us the information that we need so we can help ensure that your benefits continue. I think that's all I have. Are there any questions for me?

**Brian Belke:**

Ann, we just got one in the chat. It says, "How do we update our information with the VA? Is it through myPay?"

**Ann Duff:**

No, because my myPay is a Department of Defense system. You can go into the VA system, you know, at MyVA, va.gov, and update it there. You can call in to the national call center and tell them what your new address is, or you can go through maybe, you know, one of your SOS coordinators or any of those survivor helpers that we have. But, again, myPay does not talk to the VA. Does that answer your question whoever put that in?

**Brian Belke:**

Yeah, there's nothing else is coming in, so we'll take it ... And we can add that into the chat, too, as we go on here.

**Ann Duff:**

Absolutely. Thanks so much, and I guess I'll pass it off -

**Brian Belke:**

All right. Well, let's see, we got one more back. Yep, they said it answered it.

**Ann Duff:**

OK, awesome. Thanks very much. Have a good rest of your day. We'll be here listening.

**Brian Belke:**

Thank you, Ms. Duff. All right, if we go to the next slide, our next speaker is Ms. Jennifer Harlow, who is the project manager for the Online Survivor Benefits Report, or OSBR.

And she'll be giving us an overview of the OSBR and some recent updates. So, Jen, it's all yours.

**Jennifer Burandt-Partin:**

Good afternoon. Thank you, Brian. I appreciate that. And super great information coming from the speakers before me, and a lot of good things coming after me. And, hopefully, you'll get some helpful tips on my presentation. So we're gonna go ahead to the next slide. And we are gonna be talking about the online survivor benefit report, and the review of the two different types of reports, resources and points of contact for you. And then at the end, we'll ask that you hold all questions to the end.

But, of course, as I'm talking, you can add them to the Q&A box, and then I'll wrap them up once we're done with the presentation. Next slide. So the online survivor benefit report, one thing I want to point out, I know that we have participants from all over with different eligibility and things like that, so I just wanna go over: The online survivor benefit report is for active-duty survivors, including survivors whose loved one died in the inactive-duty training status and they were on active-duty orders. We do mainly work with surviving spouses, guardians of minor children, adult children — those who are entitled to monthly benefits.

And when I show an example of the report, you'll kind of see why it's there. In addition to the active-duty status, if you are a surviving parent and you are eligible for monthly benefits, there is not a online survivor benefit report. Just because the way the benefit is run, it means tested every year. But that doesn't mean that ... If you're a surviving parent, you can call the OSBR Family Assistance Support Team, which is our help desk team, to ask questions. So there are two types of reports, an initial report that is provided by the Casualty Assistance office shortly after the death of the service member.

And this is done very purposely to make sure that we have a hand-to-hand conversation with the Casualty Support office for no matter what service branch. And this is for all service branches for active-duty families. And what we do is we do the initial report with that back and forth, that warm handoff between our office to the Casualty Assistance Support offices, and then they are to present you with the report as the survivor, to go over it with you, because it is complex, as we were talking about earlier with, you know, from DFAS and VA, Every agency pays their own benefits.

How they do things is a little bit different. So we're able to walk the survivor through that, and we can assist the Casualty Assistance folks with understanding the report and understanding the benefits and how they change over the lifetime. The second type of a report is an interactive report.

This is typically when the survivor is getting all of your benefits, things are running smoothly, and we are now able to connect you with your online survivor benefit report, or OSBR, as I'll refer to, 24/7 with a login. And this actually gives the power of the information into you, the survivor's, hands, to be able to look up your benefits, see what

law changes have occurred to affect your benefits, or if like a child is aging out, to do that, and also run what-if scenarios that will show you where you can say, “What if this change in status happens?” etc.

So I'll go into that into more detail, but it's very purposeful to have two different reports because we wanna make sure we don't just hand over the information to a survivor with no explanation and no support. And, again, the Family Assistance Support Team is there to help the families as well as the Casualty Assistance Support folks. And, next slide. So if you are a survivor and you have not ever received your online survivor benefit report, we do have a form that you can request.

Our email will be at the end of our presentation, and you can request that we would send this form to you to fill out and request your new report. But this is also an example of what the Casualty Assistance Support folks use to give us information, and we only ask for the information we need to build an accurate report for dependent status, the service member status, etc. Next slide.

Like I said, the online survivor benefit report, OSBR, is available to all service branches. Currently, the Space Force families are connected through the MyAirForceBenefits page, and you can see each service branch has their own website to access the report. And then there is our phone number for the Family Assistance Support Team: 877-827-2471.

Again, this recording will be posted later, and transcripts will be available later, but we'll also have this information a few times throughout the presentation. So, next slide. This is the access point. So when you go to your service branch website to access your report, there is a disclaimer showing that these are estimates based on the information provided. And especially with the initial report, some determinations may still be pending, so we just let you, as the survivor, know that we are ... These are estimates, and we put all the benefits information on one page, and then you could either access your initial report after your Casualty Assistance officer has briefed you, or as the interactive report if you're at that stage where you wanna access it yourself and you understand how the process flows. Next slide.

The initial online survivor benefit report is prepared and briefed to you by your Casualty Assistance officer. If by chance, like I said, you haven't gotten one, just give our team a call, the Family Assistant Support Team. It's myself, Jen Harlow and Sean Gaskins and Christie Pendergrast, and we're here to assist you with getting that if you haven't already gotten any.

Or if you haven't gotten one in a while and you need an updated version, we can connect you and figure out: do we need to send you an updated initial report or do we connect you to the interactive online report? One thing to know is that the report itself separates the online survivor benefit report between each household. So, for example, if you have a service member that dies on active-duty and they have a spouse with two children in the home, that household, and a former spouse with two children in that home, each family gets their own report.

There's two different reports, the benefits do not cross, each household does not see each other's benefits. There are, however, occasions where a child's age may trigger a change in a benefit, but we do demonstrate that on the OSBR for you. In addition, if the passing has been recent, then we can run an estimate if the Department of Defense, like the service branch line of duty, is undetermined. We can show the benefits for if it's service connected, yes by the VA, but line of duty for the service branch is still pending. We could do a lot of changes and customize it to what you need. And we do a lot of work with the Casualty Assistance office to make sure we're giving you the most information that you can have, so you can understand what your monthly benefits will be throughout your lifetime. Next slide.

So this is my little snippet example of a report for a survivor of active-duty. In this example, we have a service member who died in December of 2024, at a rank of E8, and there is a surviving spouse with two minor children. The SBP option election is survivor bene ... excuse me, spouse with child, which according to the current law, it is set by next of kin on how the SBP is paid. In the past, there were different rules.

So if you were affected by ... where you at one point had to make a choice, all that, because of a law change was amended and so now for any new deaths that occur after 2023, the SBP goes by law. And in this case, the DOD line of duty is yes, and the service connected determination by the VA is yes. And when I say that, it's two different determinations.

So the DOD line of duty is for the service branch to determine if the death was in the line of duty. A separate determination is made by the Department of Veterans Affairs to see if that death was service connected. So there are two different designations that affect two different types of benefits. So the line of duty shows eligibility for the Survivor Benefit Plan through DFAS, and the service-connected is connected to the Department of Veterans Affairs Dependency Indemnity Compensation.

So one thing I wanted to point out, before I show how the report works, is that this is just an example. Every survivor is gonna have a different benefits report. No two survivors ever have the same amount, because certain benefits are based on that service member's history. So, for example, Social Security is based on the service member's earnings.

So if you have a service member who maybe worked four years outside of high school, then decided to join the military, they're gonna have a different earnings income than a soldier, or airman, or guardian, or sailor, that come out and go straight into the military. So Social Security is based on earnings history. VA is a flat rate depending on your status, and determined by the service connected. And then a DFAS Survivor Benefit Plan is determined by the service member's years of service and rank. So I would caution against comparing your benefits to another survivor's benefits, because they're so unique.

So with the benefits report, the estimates are in today's dollars because we can't forecast the future of the cost of living, so everything is in today's dollars. But you'll see

how the report is set up ... is that the first line of benefits ... In this case, the example was as of December 19th, 2024. The first line is the current benefits. So you have your Social Security, your Dependency Indemnity Compensation and your Survivor Benefit Plan. Now on the full report itself, we have a legend that explains the names of all of the benefits spelled out for you, you know, from the acronyms, and then the little asterisk next to SBP just means that that's taxable.

So we have little helper tools that you can't see on this example, but they are on the actual report. So that first line shows you that this survivor is expecting a pretax annual benefit amount of \$110,310. That was a mouthful to say. And that includes that household. So the benefits you see aren't just for the spouse, but they're for the spouse and the two minor children in her household for this case. The next benefit line is, it's abbreviated, Transitional DIC Ends.

So this benefit ... sometimes when this benefit goes away, it catches some survivors off guard. Because the next time the benefit changes is two years after the active-duty death, the VA pays a benefit called Transitional Dependency Indemnity Compensation. The current rate for that is \$350 a month. And either two years after the date of death or when the youngest child turns 18, that benefit ends. So sometimes that can catch survivors off guard, that that 350 goes away after two years.

But we wanna show, OK, your benefits are at this amount until the next change, which in this case is 2026. Then the next line, the oldest child turns 18 in May of 2034, the Social Security remains the same because of the family maximum. And the DIC, you'll see the child portion of the DIC went away. So these rates that you're seeing here are 2024 rates. The current rate for a child for DIC is 409.53. And then you have the Survivor Benefit Plan that's paid to the spouse. Then the next ... In this case, I noted that the spouse is not working.

So while the spouse has a child under 16 in the home and earning less than \$23,400, the benefit of Social Security, the spouse gets a guardian benefit from Social Security. But the way the Social Security law is written is that when that youngest child, the baby of the household, turns 16, that guardian benefit goes away and the child will get the 1,708 until they're 18, but you see the guardian portion went away.

This is another benefit change that catches a lot of survivors off guard because, you know, right after a passing occurs, you're looking at the benefits, you're trying to understand everything, and it may be several years before your youngest child turns 16, and this benefit change can come as a surprise.

Some survivors think that they're getting the Social Security for themselves as a surviving spouse, but actually it is the benefit for the surviving spouse as a guardian. So that is one thing to note. And then also, you know, the next change happens is the last child, the baby, turns 18, so now you'll see the Social Security guardian benefit goes away completely. The Social Security for the youngest child goes away. So within a relatively short amount of time, the survivor goes from 110,000 to 45,000, you know, in just about 11 years.

So this is something that's super important for you to ... If you've gotten your report, you need to check on it every year. That's the best advice I can give you, because then you can understand what your future changes are gonna be, so that way you can see how to plan financially for the future. And then the spouse, the earliest a spouse is eligible for Social Security is age 60.

We put this on the report because we want you, if you're a surviving spouse, to understand that the Social Security for a spouse entitlement is earliest age 60. It is a reduced percentage. So what we recommend is if you have your own earnings history, if you want to have a higher amount and maybe start drawing at 62, you can go to Social Security and talk to them about that.

We do not advise on the decision with that, but we just want you as the survivor to be informed. That's the earliest you can draw, and you can go and Social Security will let you know what benefits is the best for you. So if it's better for you to wait or if your earnings are higher, you know, you can do a combination of benefits, like for example, draw a spouse benefit and switch to your own. There's a lot of things you can do to make it most advantageous for you. Social Security pays only one benefit, so it's either a surviving spouse benefit [or] a worker benefit on your own earnings. So they'll always give you the highest of the benefits you're eligible for.

So it's sort of a mini class on how you can take a full picture of your benefits and see what they are now and how they'll change over time. One thing also, over the past, you know, eight years, we've had several law changes. So it's really important to keep up to date with requesting an updated report or using your interactive report, so that way you can see if there's any law changes that affect you or anything's coming down the pike that we can inform you about. Next slide. This is a graph representation of the previous page. So sometimes you're just like, "I get it. I just need to know right now. I've got so much going on. I just wanna know what is my monthly gonna be? What is my monthly benefit gonna be?" So it's an easy way to just look at this chart. I am more of a visual person where this is less busy than the previous slide, and it just breaks down what your benefits are monthly and how they'll change over time. Next slide. This is how we reach our survivor benefit calculation. So some may know, some may not, but the Survivor Benefit Plan through DFAS is calculated based off the service members' retired pay computation.

So as of the date of death, in most cases right now, the SBP is calculated on the previous high 36 of pay. So we take that information, and we're basically showing you our math. This page is often used by the Casualty Assistance office because they wanna understand how we reach the survivor benefit amount for the family. This is a separate example for an E-5 with 10 years, but we're just showing our math on how we got the SBP amount from the service member's retirement pay and the history of pay. Next slide. And again, for SBP, it is taxable, so everything we list is gross, before any taxes are taken out.



There is a section on the OSBR that lists the death gratuity, SGLI. All of those benefits, the SGLI Death Gratuity, are paid by beneficiary. So this page talks about that, where, you know, it'll be customized to your amount. And sometimes the casualties themselves, or they don't exactly know at the time of the death, this may be zero until we find out who the beneficiary is, but it is by a designated beneficiary set by the service member.

There's also a one-time \$255 Social Security benefit that's paid to surviving spouses or dependent children. So it would not be paid ... The 255 would not be paid to an adult child who's not a dependent. If there is no surviving spouse or no children, that 255 isn't paid. Fun fact, that benefit started in 1937, and it used to be based on earnings, and then in 1981, they set it to be a flat rate of 255. So that's a little fun fact about that Social Security Death Benefit. And so if you ever have any questions about that, then we can go over that with you. Next slide.

We have information on the OSBR that talks about remarriage information, the ages, what benefits are affected can be reinstated. Just to give you an idea of what you're looking at. This may not be something that you wanna think about right away, or 10 years down the road, or 15 years down the road, but we did hear back from survivors that this is good information to have on the OSBR. So like others were saying before me, we basically improve our report on your feedback. So when we attend things like this, we get feedback, clarification, we want to hear from you on what information you want.

So this is a section we added based on feedback from survivors and working groups and things like that. So it talks about, you know, the effects of remarriage, SBP and DIC is 55, and then Social Security is age 60, and what can be reinstated and how you go about doing that. So because you have access to our group, the Family Assistance Support Team, if in the event you remarry or you have a status change that you would like to discuss with us or just talk about, the FAST team is there for you anytime, to answer questions about this, even if you're just contemplating it or if you're making plans. Next slide.

This section covers the Dependent Education Assistance, the Chapter 35 from the VA. This shows what the benefits are for the monthly entitlement for Chapter 35. This is separate from the Fry Scholarship. This is a separate benefit for service members who die service-connected or on active-duty. It's a flat rate every month, and it has a total entitlement and the maximum is 36 months. Some of these survivors, if you have an OSBR, it may look a little different. There was a law change on August 1, 2023, that stated if a ... I apologize, it may be 2024, but it states that there is no ... As of that law change of 2024, I'll have to double check on that, that there is no time limitation for a survivor or children to use the DEA Chapter 35. Prior to that, surviving spouses of active-duty had 20 years to use the DEA Chapter 35, and children generally had between age 18 and 26. So some folks may still be under the time limit, but if you're curious about your individual case, you can contact the FAST team and we'd be happy to go over that with you.



The benefit amount is still the same, just some have time limitations, some do not. So we break this down for you. We list the number for the VA education line and the website at the top there, for information purposes. Next slide. We do cover the Fry Scholarship. There are different eligibility rules. So what we do is we break out the eligibility rules for the Fry Scholarship, which is also known as Chapter 33. So this goes over the eligibility. If you are aware, the Social Security ... Excuse me, the Fry Scholarship is based on the zip code of the school, their tuition. So it's a very robust benefit that goes ... covers, you know, the tuition, housing, things like that, and it's all based on the zip code.

So we don't break it down numerically here. We just talk about who's eligible, what certain eligibility dates are listed and broken out. And then, you know, we can connect you with the VA Education to learn more about your eligibility and how to apply. Next slide. We have a glossary on the OSBR that gives a detailed explanation of all the benefits we talk about in the report. If you need something further, if you wanna dig deeper into a benefit or eligibility, just call FAST team and we'd be glad to go over that with you.

So we just had that there for you. That was another thing that we improved by adding for the surviving spouse, because the feedback from the surviving families. Next slide. So the interactive OSBR ... so you've gotten your initial report ... And you can go and hit tab a few times, each line comes up. Yeah. So the surviving spouse ... Oh, sorry, one more. The interactive OSBR is where we have worked to connect surviving spouses and adult children to have access to the interactive OSBR, anytime, by logging into their service branch website and being able to run the report as of today. So you can use it anytime. It reflects the cost of living, all the legislative changes that are up to date. And then, also, the survivors can contact our Family Assistance Support Team, your Casualty Assistance office, or if you have moved on from the Casualty Assistance office, each branch of service has long-term care management. And we're all there available to answer questions, if you have any problems receiving your benefits. For example, Ms. Duff and the gentleman from DFAS talked about how your benefits may stop if you don't return your Certificate of Eligibility or update your address information.

So you can contact us, and we can help get that squared away for you. We can talk about remarriage, what effects the military service of your child, disability. You can run all those by us, and we can give you instructions on who to contact and follow up to make sure all those changes have been made. If you do find that there is something inaccurate on your report, maybe we don't know that a child was disabled or a child has decided to go to a federally funded military academy, we can update that and then that way, the next time you log in, you can update your report and your interactive report is correct. Next slide.

So in order to access the interactive OSBR, you do have to have a DS Logon. And not only for access to the OSBR, but there are several other services that still use the DS Logon. Some organizations are switching to ID.me and other things, but we are still using the DS Logon to access the OSBR. So if you haven't already obtained your OSBR, I

highly recommend it. That way, you can access your interactive OSBR as well as a slew of other sites that give you access to your information. Now just hot off the presses, yesterday, I was talking to someone at DMDC, and they are working on getting guardians of minor children access to a DS Logon. Until that is squared away, just contact our Family Assistance Support Team and we can get you a report however you need it, for your minor children that you're the guardian for. So until that's updated, you know, just give us a call and we'll do that. But for now, the interactive access for DS Logon is for surviving spouses and adult children. So here's the phone number and the website to get that, and I would plan around 10, 15 minutes to set that up, and just make sure you keep that with you, and then we just need your DS Logon username to connect your account. Next slide.

And our foot stomp here is that all the survivors should access the report at least once a year. And it's because your cost of living has changed, what benefit changes, like a child aging out, anything like that. You wanna make sure you update and check into your report at least once a year. Every year, you can count on two changes: the cost of living allowance, that's in December, which affects your January pay; and also in October, the VA education benefits change every fiscal year. So you wanna make sure you're up to date on that and making sure you're getting the right amount of benefits.

And then what's really cool about the interactive OSBR is you could run what-if scenarios. So you can go in and say, "I'm thinking about remarrying next year," and I could see what the benefits are and how they'll affect the family. So for example, many survivors think that if they remarry, it'll change the benefits for the children, if they have children in the home. That is not true. Only the benefits for the spouse who remarries, if they're under 55 — for SBP and DIC. Or if they're over 60 — with Social Security. And, also, one thing that's really important to think about is that if anything would happen to you as the surviving spouse or guardian of minor children, you can run a report saying, "If anything happens to me, what are the benefits for my kids or the children I'm in care of?" We talked about the effects of income on Social Security, where in my example I had a spouse that was not working, and that spouse was getting a guardian benefit from Social Security. Well, there is a limit to earnings on that. So a surviving spouse can say, "I really don't know. Is it worth it for me to stay home with the kids?"

Maybe they're young and they need more attention, daycare, things like that. And the surviving spouse is maybe making, you know, say \$40,000 a year. That's gonna eliminate some of the guardian benefit, or fully eliminate the guardian benefit from Social Security. So that can be a real decision-maker for a survivor on if they wanna go back to work or not. Or if you're not working and you say like, "Oh, if I do wanna go back to work, my kids are older, you know. I wanna see what it would look like on my benefits." We could show you going back to work. If there is a change in the spouse's disability or the child's disability status, we can update that. You can do a what-if scenario on that. Education benefits and the children's dependency status. And so one thing that comes up, just a side fact note, is that we do have quite a few questions coming into FAST that if the surviving child gets adopted after the death, or they, you know, say get adopted

by a stepparent or a grandparent, that they're worried about it's gonna change the benefits for the child. And the benefits do not change.

The benefits eligibility for a child is as of the date of death. What happens after that does not change any of the eligibility. I will caution that if you change the child's name, it may, you know, require some follow-up with the different government agencies to show that the eligibility stays the same. The child was still a dependent of the service member at the time of death.

But you can go in and do all kinds of what-if scenarios to see, you know, at your fingertips, before you make life changing decisions or a life change impacts your benefits, you can run these scenarios. And then if you have questions, you can just contact the FAST team. Next slide. So this is just a screenshot of what the what-if looks like. So it's a little bit blurry, a little bit of an eye chart here, but just to summarize, is it has drop-downs where you could say, like I have it highlighted here, where if you wanna remarry as of March 2025 — if my child wants to go to a college, not going to college — how that affects the benefits.

And more than one change can be done at a time. And the report results that come up will show what the benefits ... You know, what you've done on the what-if scenario. So it's a really cool feature that you can do that. One thing I will say is that if you're doing a what-if scenario, any changes on here, it will not affect your records with DFAS, VA or Social Security. It's just a tool for you to see what the benefits are. If you do in fact get remarried or a child has decided to go to, you know, a federally funded academy, then we would direct you on who to contact to make sure the benefits are updated and paid correctly. Next slide.

The Military OneSource has access to all the service branch sites, our phone number and our email, for the Online Survivor Benefit Report. There's also webinars and some articles, and I believe there's a podcast. So if you go to Military OneSource and you just wanna get started, you can just Google, or on the search box on the top there of the Military OneSource site, type in online survivor benefit report under Military OneSource, to gain access to more information and the service-specific sites. Next slide.

So our help desk is available Eastern time 8 a.m. through 5 p.m. Monday through Friday. And our email address is here [mfosbr@magellanfederal.com], and our phone number is 877-827-2471. And if there are any folks on the symposium this afternoon that do support family members and you need a report for a family you're working with, we're available to you as well. Give us a call.

Any survivors who need a report updated or maybe get connected to their interactive, just give us a call, and we'd be happy to help you. So I went over a lot of information, you know, a little mini class on how the benefits work, but what I really want to drive home is that the importance of understanding your situation and how the benefits are for your household is super important, and how they change over time, and just to know that we're there to support you. So I will break now for any questions. I'm not sure if we have any in the chat box.

**Brian Belke:**

We had some, Jen, so I'm gonna jump in here, and back me up, and Lisa too, 'cause ... Well, first, we had a lot of questions about: "Oh, I hadn't heard of the OSBR." When did it come online? It's only ... Is it 15 years old or even younger?

**Jennifer Harlow:**

So it went online in 2007, but we did have... In 2012 is when we started giving access to survivors with the interactive, so it's been around.

**Lisa Valentine:**

And it also ... I mean, from DOD, we started it, so it's less than 15 years. But for all of the services, and to make it all uniform and providing the same service, we didn't really start that until 2013.

**Brian Belke:**

So for a background for those asking that they may not have heard of it, depending on how long you've been a survivor. And then I just wanna put a point of clarity, too, that our products are for survivors of those who died on active duty. This does not apply to the other categories. There's not been a program or record, there's not funding for that for other categories of survivors. These tools are for active-duty deaths, and, specifically, this one really is for spouses or children that are receiving benefits. The parents don't usually get this because they're not getting the benefits.

So just to de-cage some of the questions we're getting on where this ... You know, where do they get this, where is it available? And that's why I'm glad we stayed on this slide. If you don't have the OSBR, if you'd like, reach out to the FAST team. And we've had a lot of questions, Jen, that they've reached out and aren't getting information back, and hopefully that's a quirk 'cause usually ... Boy, I've called before. I came from Navy and Coast Guard, and they were great at getting right back to us. You know, call the number and if you still have problems, Lisa and myself are available through the Survivor Inquiry Form on Military OneSource.

So if you're not getting anything else, you can always go to the Survivor Inquiry Form. You know, it doesn't say who it's going to. It's a generic form, Go to Military OneSource, search for Survivor Inquiry Form. That comes directly to Lisa and myself, and we will usually answer you within a business day and get you to where you need to be. And if we got a question on the OSBR or on FAST, we would reach directly to Jen and have it answered, so that's another resource for you.

And then I think ... And if anybody has questions, please put 'em in the Q&A. And one in general, we had a question about benefits aging out at 20 years, and I think Jen answered some of that. I get where it's coming from; there was the education benefit

that aged out at 20, but that's been changed though. Did they backdate it or is it only from the date of the legislation going forward?

**Jennifer Harlow:**

Yes, for the DEA Chapter 35, they did not backdate it. So you are still subject to time limitations for the education benefit if your service member died before August 21, 2024. And I apologize, it is 2023. I did look it up. 2023. August 1, 2023. And so, yeah, that eligibility is 20 years for those whose service member died before August 1, 2023.

**Brian Belke:**

Yeah, so for the participant asking about the 20 years, there is a 20-year limit for the education benefit, but for ... if you're getting SBP or DIC, those do not time-out if you do not remarry. And then for the remarried, there is legislation underway. We can't comment on pending legislation, but there has been no change for remarried spouses yet, and even for education, correct?

**Jennifer Harlow:**

Yes.

**Brian Belke:**

Because that was part of the question. And I think they ... I think that hit ...

**Lisa Valentine:**

And I have one more thing that I just would like to remind our audience. One of the things that Nathan pointed out is that things change when your child turns 18. And so if your child is getting ready to turn 18 or is 18 or older, it's very important because they're considered an adult, that they start requesting and receiving their own OSBR. And so all they have to do is contact the FAST team. You know, they can call 877-827-2471, or they can send an email to [mfosbr@magellanfederal.com](mailto:mfosbr@magellanfederal.com). So that is something that I would put on the calendar as one of those changes. Thank you.

**Jennifer Harlow:**

And I'll add on to that, Lisa, that you may have a child that is over 18 but still in high school. So most benefits will continue until that child graduates high school. So if you find yourself in that unique situation, give the FAST team a call, and we'll set you up with the right contacts and the right forms to fill out to continue until that child turns 18. Or, excuse me, either that child graduates high school. So we had many that we helped this year that turned 18 before they graduate this May or June, and so the benefits can continue for those children until they graduate high school at that level of support until

they go to college. And I do apologize — I see Haley from the Navy Gold Star program. We'll definitely follow up with you. Apologies for the disconnect there.

**Brian Belke:**

And then I think we got it, but we just got a question in: “Are there any brochures I could use to advertise these when they're working with surviving families?” I know we've got some products on OneSource, but ...

**Lisa Valentine:**

Yes, there is. We have the trifold, and it's the Milestone Trifold, Kimberly, that you can either download. If there's some available, you can call Military OneSource at their 1-800 number and they can order some for you, or you can go shopping on Military OneSource for some free products. And so I recommend everyone on this call, on this symposium, to check it out.

If you just go on Military OneSource, if you go to the bottom of the page, there's one that's called Products. And then when you go into the products, you click on Casualty Assistance, and you'll see different brochures and different things beyond the Milestone brochure, the Trifold. Thank you. That's a great question.

**Brian Belke:**

And we'll drop the link in there as we move on to our next speaker. But thank you, Jen. I guess anybody else, last call for questions, or we can answer them at the end if you think of something as we're doing our next speaker. But thank you and we will -

**Jennifer Harlow:**

Thank you so much for your time, everyone.

**Brian Belke:**

Let's see. if we'll go ahead two slides. There, so our final topic this afternoon, though it will be a lengthy one, but a lot of good information, is “Tax Preparation and Planning Considerations Applicable for Military Survivors for 2024 Taxes.” And our speakers for this topic are Mr. Mark Dunlop and Ms. Christine Murphy, who are financial counselors for the U.S. Army. And I see they're on with cameras and mic, so I'll turn it over to you. And, you know, please, for the group, the Q&A has been working great, though we are also getting ... Oh, we're getting some questions. People are having problems logging in. I think Mark just sent me some. We'll look at those and we can answer 'em at the end of your time here. But the floor is yours.

**Mark Dunlop:**

Thanks so much and what a joy it is to have the opportunity to speak and give an update on some of the issues to be looking at when we're talking tax season. Christine and I are just gonna try to have an interactive dialogue summarizing a lot of the questions that we've been getting over the last few months.

But I will tell you, speaking right after Jen Harlow is a joy. For many years, we have always asked survivors: print out your OSBR report so we can discuss it with you. We don't run it for them. We ask them to run it. One, we want to be sure they have a working DS login, that they know how to do it in the future.

So it's toward about empowering instead of enabling. But when they have that OSBR report, we can actually help them look at the future. And in reality, with tax season, it's not all about preparation of taxes. It is also moving forward on being proactive on tax ideas. Christine, do you have any other thoughts on that?

**Christine Murphy:**

Can you hear me, Mark, all right?

**Mark Dunlop:**

Perfect.

**Christine Murphy:**

OK, perfect. No, a great, great introduction, and I just enjoyed that information, especially regarding... Because a lot of the questions that my survivors have were answered in today's presentation. Thank you so much for that, because, you know, one of the things that I hear often is, well, how do they determine how much the SBP is going to be? And also that was great information, thank you so much. So I think we're gonna now jump right into our Survivor Outreach Services information if ... And we're gonna talk about ... Thank you.

I guess the first thing we're gonna do is the disclaimer, which basically says that this presentation is to help identify resources and milestone topics, and it is not ... Keep in mind that the information that we are gonna share with you today is not going to serve as the basis for all of your decisions, financial decisions. We encourage you to speak with your financial, legal, and tax and accounting advisors, but this information is just rather to educate you and give you some tools and tips that will help you when you are speaking with your advisors regarding your financial planning. Next slide, please.



**Mark Dunlop:**

A little background for that. Christine and I looked at some of the ideas that have come to us of recent, but I'm gonna throw this back to Christine. What do you see as the difference between a savings decision, an investment decision and a tax decision?

**Christine Murphy:**

Well, with the savings decision, sometimes the biggest thing with savings, investment, taxes with our surviving families are that when they receive certain amounts of monies, most of the time what comes to mind is that they're trying to make sure that they hold onto the investment. Many of them are not very knowledgeable on different investments, so they hesitate to make investments, and they want to hold the money in the savings account, thinking that that's a safe place for it — not realizing that putting money, just letting money such as the Service Group Life Insurance or the Death Gratuity sitting in savings accounts may cause them to have tax implications that they really weren't aware of.

They'll take an investment such as the Service Group Life or the DG that are not taxable to them when they receive it, but interest that's earned on them becomes taxable based on the investment vehicle that they use for holding that money. So knowing how to use the savings account for say things that are immediate needs, and then making investment decisions for the long-term for both the survivor and their family, is key for them. And that's kind of what we do as the financial counselors for Survival Outreach Services. We walk them through setting up logical and practical plans for saving versus investing for the ... saving for the short-term versus investing for the long-term. And then to do the things that will cause it to be most tax efficient to them if we can help them in that way. Mark?

**Mark Dunlop:**

Yeah, you know, I 100% agree. And it's interesting. I listen to Christine present at times, and she may ... And then we realize, we graduated from the same college around the same years, around the same years, so it's kind of interesting because that's the same logic we come to. "There is no rush to make an investment decision, put it in savings for a while." If you get a few ... If you get a few... Right now, you can get a decent interest rate, enjoy it.

There's no rush to make an investment decision. Now, a tax decision, we'll talk about that later on; there you have some time frame. there you have some timeframe. Do you wanna pay taxes on the growth of the money, So there's an early ... So there's an early... You know, you have one year to make a decision. You wanna pay tax on the growth of the money, yes or no? and what happens if you miss that one-year bogey. and what happens if you miss that one year bogey. But you have three separate things, and it relates to our second bullet called Preserving the Legacy. I often tell survivors when I meet with them through Teams, through Zooms, through meeting face-to-face, "What is



your objective with the SGLI and Death Gratuity? what is your objective with the SGLI and Death Gratuity? of preserving the legacy of the next generation?" of preserving the legacy of the next generation?

We're gonna talk about that 'cause that relates to some tax planning decisions as well. And as Christine said, with the short-term and long-term planning, that becomes so key, and really looking at that and helping people set their goals and objectives. when we do a Teams or Zoom when we do a Teams or Zoom, 'cause I see the body language, because you find out the emotions that go into it. You know, if you pass away prematurely or pass away whenever, you know, what is your goals and objectives for the money moving forward? And what's to occur? And as Jen pointed out so well on the Social Security, there's a lot of milestones to consider.

We'll address some of them here from a tax perspective, but also planning. For example, many people, they will see on the OSBR report what you can get if you take your spouse's benefits starting age 60. But, golly, if you're working at 60, you probably don't want to do that. And also, in some scenarios, if you have been a surviving spouse that ended up being in the workforce, like, you know, with moving forward in the workforce if that's the situation, there may be times that ... if that's the situation, there may be times that... OK, let's say you don't have income coming at 60, you want to take the benefits during 60 from your surviving spouse's benefit, which albeit is a reduced benefit from what it could be if you took it on a normal retirement date, we'll talk later, but you might wanna flip it to your own record at an age maybe 70. So there's some strategy there with Social Security. Yes, the default is what it is at 60 if you start taking your spouses, but you don't have to do that.

And we'll incorporate a lot of the scholarship strategy in financial planning. I tell you, a lot of survivors that I work with, we help 'em do their FAFSA. Why? And there's a hotline they can do ... They can go to their college to get it done, they can go to their college to get it done, but I encourage people to do that FAFSA on top of the other scholarships they apply for, on top of applying if they are using the VA educational benefits, although many do save that for grad school.

But there's a lot of strategy there that we do. And then we talk about the life insurance, you know, you have 120 days to convert the FSGLI. was in such a manner that they wanted to convert it, was in such a manner that they wanted to convert it even though the rates were high for the budget. that they could get a hundred-thousand dollar insurance, that they could get a hundred thousand dollar insurance, in essence, with no medical questions.

That option is available to our new survivors, but a limited window there, the FSGLI conversion that's out there. And what Christine and I often do in our dialogues, and sometimes we brainstorm with each other if we have a case like, "Hey, what approach do you see?" Which is very healthy for financial counselors to do, with the permission of the survivor.

We look at some of the estate considerations, including beneficiary designations of non-minors. You know, when you leave money to a minor, hmm, that could be problematic because in some cases, they can't use it, touch it, until they turn 18. So when I say beneficiary designations, I'm saying non-minors, that's what we try to focus unless you're gonna go the trust route. And then we look at some of the health, dental, vision considerations, and I tell a lot of survivors that it's very key, especially now that virtually half the country is a new TriWest, log in with your DS login, log in to TriWest, if you're in prime. If you are in prime. Christine, on that last bullet, what have you seen going on?

**Christine Murphy:**

With tax issues due to retro payments, many of the surviving spouses were surprised, when it became ... survivor benefit became payable to the spouse, only because in previous years they had elected the child option, and they were quite surprised that their tax situation changed dramatically, especially if they were working spouses, because now they had this other taxable benefit. So, you know, one of the things that you have to look at with survivor benefit, with unpaid pay allowances, those are taxable benefits that come to them, and many times the right type of planning is required, and that's where we come to 'em, so that they can consider that and not put themselves in an adverse tax situation. And another thing ... OK, thank you. So, Mark, we're gonna talk about ... So, Mark, we're gonna talk about... This is what we intend to cover today, the types of taxes and the filing requirements which survivors face, what type of filing statuses exist.

Some of the questions you may already know the answers to, but we just wanna make sure that you're aware of these things. What income, expenses, assets, salary and withdrawals What income, expenses, assets, salary, and withdrawals need to be reported? What items are exempt from reporting and what is the standard deduction? And what types of taxes can be abated? And what are some of the tax preparation resources that are available to our survivors? So those are the things that we're gonna kind of discuss in today's presentation, and so let's jump right in, OK? So let's start out, Mark. Go for it. So let's start out, Mark. Go for it.

**Mark Dunlop:**

OK. I like the way that you phrased it. So the first question is, you know, what type of taxes do our survivors face? You know, and I tell people, sometimes you say taxes, OK, what taxes are we talking about? We have federal tax, we have state tax, and we have local income tax for the decedent. Oh, income tax for the decedent? So if you had a casualty last year that you're ... Someone's gotta file the taxes. So that's the first issue.

And now do you have all the 1099s from the person who died? And then do you have the W-2 for the work? And we deal with active duty. That's easy, you get the W-2 from DFAS, and they're pretty efficient getting that information to you. And if you're having issues, askDFAS, a great tool that they have. So I appreciate that. But sometimes there

was a side job that a person had; you gotta sometimes call that employer, unless you have the mail forwarded, to get those W-2s.

Getting all the W-2s together and 1099s. No matter how you're gonna do the tax preparation, you need to have that information. Even if you download the software from Military OneSource, and you use that program to help you do the taxes, you need the information. So, well, first topic is taxes for the decedent. And by the way, in many cases, when you file for the decedent, there's gonna be a refund. Why? It was a partial year, probably excess withholding was done, so, you know, it might be there. And if not, it's good also to clear things out and figure that situation. The second type of tax is tax for the survivors.

I brace survivors. Here's one that many survivors accidentally forget, but the IRS three years later, figures it out. So, stay tuned. If you had a recent casualty, unpaid allowances. So with the unpaid allowances, you wanna be sure that you got a 1099 for it, but since you don't mail back a 1099, you know what you got as the unpaid allowances, that you do record it on your taxes 'cause the IRS knows that it's there. Also, this is very unique, inherited but not rolled over assets. Let me clarify that. Traditional Thrift Savings Plan that you cashed out, 1099 will come for that if you cashed it out. An IRA, I didn't say Roth IRA, an IRA, if you inherited, cashed it out — taxable. Sometimes, if you cashed out some inherited investment accounts, if there's a gain from the day ... If there's a gain from the date of the transfer to the date of the cash out — taxable.

And then Survivor Benefit Plan, Social Security, interest and dividends are also taxable. Now the question I often get is what do I do about the taxes if someone died, and it almost relates to the first bullet, if someone died February 2024? If someone died February 2024, am I doing two taxes on behalf of the decedent? Or how do I report it? Does it go on my taxes? Good news, bad news. It doesn't on your taxes. We go back to bullet number one.

Basically, if someone died February 2024, I use that as an example, we wanna be sure the taxes were done in 2023 for the year 2023, and we also want to be sure that those two months' taxes were done, in essence, April 15, 2025. Hmm, interesting out there. Well, let's look at the third bullet, and we're gonna be expanding on that in our dialogue 'cause this is ... Yes, it's part of tax preparation, but also tax planning.

Are you paying personal property taxes, or most states call it property tax payment on property owned by a surviving service-connected survivor spouse? Now, some states or some municipalities have expanded that to other target audiences, but in general, spouses, not necessarily parents. But that's a good issue. I often ask survivors in a dialogue I have with them, “Have you worked with your municipality, your tax assessor in essence, to let them know that you have a service-connected situation?” Because depending on your municipality, you could be getting a property tax abatement, which is a break.

So I want people to be aware of that. You'd be surprised, many people bought a home, have a property, and are not taking full advantage of the property tax abatement. Now

the laws have changed in a lot of municipalities, some states have just recently enhanced it, so you gotta be careful of that, and we'll talk more later. It's not necessarily all state driven. Sometimes it's municipality-driven as well. Then we have estate income tax.

Now, in general, I'm not worried about the estate income tax, in general, but I want people to be aware of that. You know, if you had an open estate and the amount was, in essence, over \$600, there is gonna be some tax forms that have to be done as you close the estate, related to estate income tax. Now, notice, I watched the words very carefully. Estate income tax from that estate might not have been distributed, and there were assets that grew. That's the estate income tax that your tax preparer can guide you with. That's different than the estate tax on larger amounts, the estate tax. So estate income tax on the growth before it's distributed, and estate tax. And then we have some gift tax considerations, we'll talk later. Christine?

**Christine Murphy:**

Next slide, please. So let's talk a little bit more, drill down with the federal and the state tax. I think that's that you were speaking of. The current tax, the current thresholds, as you can see for 2025, is 13.99 million range. And so most folks for federal estate tax would not probably be having to pay estate taxes. Mark, you wanna chime in with me on anything that ...?

**Mark Dunlop:**

Well, I chuckle with that. You know, I still remember when I was in school, we studied federal estate tax, the limit was 600,000, including life insurance that you owed. And people are saying, "Will we ever get back to that again?" I don't know, but you wanna be sensitive that there could be a federal estate tax. But what I find very interesting is there are still estate tax and inheritance taxes and a lot of that are not at that high bogey, and it all depends on the state that you're living. Now I outlined some of the states you just wanna be sensitive to and see what the issue is, to see if this is the topic that they should discuss with whoever is advising them and helping them close out the estate.

Hey, do I have to address this? Where do you think I'm at? Working with their attorney, you know, look at some of the unique things with estate, estate tax. And also at the transfer, I call that inheritance tax issues with some of the states that are noted there. That might be an issue. Now the big question I get when people get the money, they're saying, "Hey, I wanna give a gift to the fiancé of the soldiers since they were so close for years. I wanna write a check ..." I get this from parents. "I wanna write a check of \$80,000. I just feel good to give her 80,000." I said, "Well, if you write a check of over 19,000, or 38,000 if you're married, if you write a check to 'em, you have to fill out a gift tax form. And basically you'll be, for the excess, taking it off of the federal estate tax

limitation.” At this current time, no big deal for most people, but you do have to fill out that form.

So I do have some survivors, let's say the objective was to give, you know, 80,000, if I can use that example. I said, “You know, maybe just give 19, 19, 19, if the limits go up, you can change that 19. And then the next year, whatever you wanna do, you know? Just do it gradually. Don't mess with the form. Do it gradually.” So that might be a really cool situation to look at that could be very helpful. So I share that with you as an idea. Christine?

**Christine Murphy:**

When you were talking about gifting and the gift tax, sometimes ... I think you can go to the next slide because I think it's gonna lead into what I'm about to say. When you're talking about with our survivors and that Roth IRA, sometimes where you have a parent who wants to make sure the siblings got money, they're, you know ... We talk to them because they go, “Well, can I set up a Roth for them as well?” No, you can't. You cannot.

If you are the recipient of the Roth, of the SGLI, you can set up the Roth under you, but you can't set it up under another person's name. It won't work. So one of the things that I shared with them, I said, “Well you set up the Roth. If you've got multiple children, then set up several Roths. You can do that and make the children, each child or sibling, a beneficiary. And then what you can do if you want to gift to them annually, you gift them 19,000 out of their Roth. And then in the event,” I do this especially with parents, “in the event that you pass, that money that you set aside for them goes to them as an inheritance.”

So be keeping in mind that you can withdraw from your Roth as long as you're withdrawing principal without any type of penalty. But when we're talking taxes, when you do make that withdrawal, you are required to use that form 8606 for your distributions. It's not saying that you are going to owe any money, but you do need to report it. Mark, go ahead.

**Mark Dunlop:**

Yeah, just recently I had a survivor who got audited by the IRS for a few years ago, and without her finishing the sentence, even though I should have professionally, I said, “Did you make a withdrawal from your Roth IRA?” “Oh, yeah, I did it to buy a house.” And I said, “Well, you could.” She was under 59 and a half and whatever she withdrew up to the cost basis, which, no problem, but you do have to report it on form 8606, and that wasn't done.

So I said, “Amend your return and just say that you withdrew cost basis of what you put in, and you'll be fine and they'll waive the penalties, 'cause it's an easy mistake to be done and it wasn't deliberate, and basically you don't owe the taxes.” So when they amended the return, everything was fine. But I sure would not have liked to be in the

living room to see the facial expression when they got that letter from the IRS when they opened up their mail saying you owe ... It was literally almost a hundred thousand dollars. But, basically, the IRS does not know when you make a withdrawal, if it was from a Roth, if it was cost basis, if it was from a non-Roth, or if it was principal. You have to tell 'em on that form. Let's try the next slide.

**Christine Murphy:**

OK. So let's talk about it, Mark. What are some of the tax filing statuses? You wanna elaborate on that for me?

**Mark Dunlop:**

Yeah. Yeah, the big ones that we talk about, of course you see in the bullets there: married filed separately, married filed jointly, qualifying widower, head of household, single. And I often tell people, "One, fill out W-2s for any place that you're getting money in." Appropriately, here, you can see when you can use ... The surviving spouse can actually file a joint return for the final tax return, and the final spouse who remains unmarried can use the qualifying widower filing status. But the big thing that I ask people to be sensitive to, this is for tax withholding, that's one thing, how do you wanna have tax withholding? And another factor is how are you gonna file it when you do your final tax return for the year?

Withholding is an estimate, so if you're a little off on that either way, remember, what you do on April 15, that's where you really gotta hit the numbers, you know, exactly, do I owe money or not? So when you file and you do an estimate filling out a W-4P for the pension, or as we call it the Survivor Benefit Plan, or a W-4 at work, or a W-4V for your Social Security, if you're a little off on that or if you think that not enough was being pulled out, at the bottom of the form when you fill it out, you can actually have an extra lump sum pulled out. So, yes, the status is important of what you have for tax withholding, but it is super important to have the right status for your benefit when you do the final tax return, and we're gonna talk about that in a moment.

But if you don't think enough is still being withheld, and you will know that as you do your taxes now, have some pulled out, and we talked earlier how you can do that, you know, with DFAS, with the SBP, with the W-4P earlier in the presentation. Have additional money taken out, especially if you're getting money from other sources, especially if you're getting interest and dividends because your money is not in a Roth IRA, it's out there earning interest as well, so we don't want you to have to owe taxes come April 15. So, yes, status important, equally important when you do the withholding, if you think you need to pull out some extra money, and in many cases people do, especially for the spouses that now, again, in essence, the full SBP in many cases, something to consider about. Christine?

**Christine Murphy:**

Mark, I wanna go back on one thing that I think was on a previous slide, you don't have to go back, was about when you're filing your taxes, what might come to your mind is, or it may ring the bell of check your will. This is a great time to make sure that when you're looking at filing status and how you're gonna file, you were filing jointly at one time. What does your will say now? This might be the opportune time for you to go and take a look at your will, because other documents, such as your will, may very well need to be updated now. So, you know, this time, text filing time, may also click to say, "Wait a minute, that's right, I'm filing jointly now as a spouse. Because my spouse died this last year, I'm filing jointly, but going forward I need to also change that will while I'm changing my filing status." Mark?

**Mark Dunlop:**

You know, that's an excellent point. Yesterday, you and I had a conversation of a situation, a life change, but they never updated how much should be pulled out for their health insurance with their employer. So they were doing full family rate and still have full family rate coming out, but there's now one less member in the family for one reason or another. But they didn't change their withholding with their health insurance plan through payroll deduction with their employer. So this filing taxes, yes, it's a prompter, it's a reminder. It's sort of like with the smoke detectors, when we change our clocks forward and back, give it a checkup. This is a time to do a checkup to see are you paying for family rate for some items that should be a single rate? And even with your auto insurance ... have you updated your auto insurance that there's, respectfully, maybe one less adult on the policy? So, excellent, thank you for that reminder, Christine.

**Christine Murphy:**

Sure thing. Next slide, please. So next question for us. Mark, who is to file income taxes? You wanna have a stab at that?

**Mark Dunlop:**

Yeah. You know, if in doubt, file it. Because even if you have such low income that you don't owe money, you might be ... Let's look at the bullet on the right hand side on the bottom. There might be a credit or even a refund. So it's wise, in general, to file taxes even if you feel you're not earning decent income. You know, it could be that it's low enough that you're gonna trigger a couple of credits, and some of the credits are cash. So say, "Well, I don't owe money, you know, I didn't earn a whole lot. They pulled out taxes, it wasn't a lot." You might get a credit back more than even the taxes that were pulled out. So the details of that, we gave you some references, I make reference to publication 501, a lot of issues there.



When in doubt, there's no harm filing it. On a personal note, as someone that's gone through four children that are now beyond college, when I had to fill out the FAFSA to get any potential financial aid from the college or scholarships, even for academic scholarships, they wanted a FAFSA on file, it was so much easier when I could upload their tax return even though their income was very low. You know, a little interest, a little dividends, a part-time job. They didn't have to, but it was so much easier than to upload the information to the FAFSA than type it in and then be audited by the college to make sure it's right. So it makes life easier, especially if you have some teenagers.

**Christine Murphy:**

Great information. Great. Next slide, please. So I think you spoke of this before: A final tax return may need to be ... is required to be filed. And you gave an example before, I think, of the person who passed February of 2024, so they hadn't filed for 2023. So this is just a reminder that when you're getting into tax filing, make sure that you've covered all the years that need to be filed.

**Mark Dunlop:**

Yeah, and that's a key thing that's out there, and, you know, that's a tough thing for the survivor when I say, "Have you double checked that the taxes were filed for a prior year?" I was with a survivor on Friday and it turned out, for some reason, because the soldier was ill for a while, they didn't file taxes for two or three years. So we guided them in the process of doing that and actually had to help them find W-2s and 1099s for that. But, yeah, especially with debts that occur around now, you're probably gonna be doing two tax returns on behalf of the deceased.

**Christine Murphy:**

OK. Thank you. Next slide, please. So who files the final income tax return?

**Mark Dunlop:**

You know, that's a tough one. I had two parents in different households say, "Who does it for my son?" And I said, "It's the first one who does it, fills out form 1310 with the IRS." You fill out a regular tax return and then you have a cover sheet. It's almost like an old fashioned fax cover sheet. The cover sheet is form 1310 and you basically say, "Why are you filling out the taxes if you're not the person you're filling it out for?" Basically, it says I'm doing it on behalf of the deceased. IRS doesn't care who does it. If there are two parents, which one's first in the box, they get to do it. And that becomes very interesting when both do it, so I encourage them to chat with each other on that topic.

The personal representative files it, but in some cases, you know, if there was really no estate, it was a young private that passed away, parents often ask the question and I say, "First one in the box." Now obviously if you're married, a spouse can do a joint



return. But I've had some unique situations — as have you, Christine, we know it — when it was an estranged situation. So the spouse did her thing, the husband did his thing in this case, and they didn't have each other's records.

They were separated for a while. It makes sense sometimes, married file single instead of married file jointly. And as it turned out, you know, the mother of the soldier that passed away said that's what we're gonna do and coordinated it with a spouse. So there's a lot of unique things with what you do, but with a joint return, many spouses just are happy to do a joint return. Sometimes it's not practical on that. Now the final joint return cannot be filed if the surviving spouse remarries before the end of the year of the decedent's death. It doesn't happen too often, but it does. In this case, the decedent's filing status for the final return is married file single and not ... So we have a couple of unique things that are out there. Again, form federal 1310, statement of person claiming refund due to his deceased taxpayer, may need to be completed if it's not gonna be a spouse that is doing it on a joint return in general.

**Christine Murphy:**

Next slide, please. You wanna continue with this, Mark? Go ahead.

**Mark Dunlop:**

That'll be great. People say, "What if I blow it off? What if the taxes aren't paid?" Then the IRS could simply eventually go after the executor or maybe even the decedent's heirs, to the extent the heirs received the decedent's property upon death. It's a mess. It's a mess. You know, we live this awkwardness. I tell people, "Keep yourself beyond reproach. Somebody, raise it to the top.

Even if the family dynamics of the survivors aren't talking, figure it out. Someone's gotta really file taxes on behalf so we don't run into issues three, four years from now." Now if the decedent's owed a refund but no final income taxes are ever filed, the decedent's heir won't get that refund payment. So filing the taxes is not necessarily an ugly situation because there possibly could be a refund. So somebody said, "I don't know if it's worth the effort." I said, "Please, keep yourself outta approach for the future years, and whoever does it will get some money sent to them." So there's a lot of practical things. So the takeaway from this bullet or this slide is taxes are due on behalf of the deceased. Someone's got to address that.

**Christine Murphy:**

Right. Next slide, please. So, children often need to file taxes. Keep in mind that many of the children who got that one payment of Survivor Benefit Plan before things changed over in 2023 to where the spouses were receiving ... are now receiving Survivor Benefit Plan. They still have that money that they've received. Also, there are instances where even though the spouse is now entitled to the Survivor Benefit Plan, there are still some instances where the child is still gonna be the child receiving it because there is no

eligible spouse. So just because the default is the spouse, where there's no eligible spouse, the child may still be receiving the survivor benefit, which causes ... Tax and survivor benefit is a taxable benefit, so taxes may need to be filed on the child's behalf. Mark, you wanna chime in?

**Mark Dunlop:**

Yeah, I appreciate that. And, you know, you look at the OSBR report. Again, I used that religiously in half of the last 15 years. When you look at the OSBR report, that is your SBP estimate before taxes. So I do get people saying, "Well, I see what's coming in every month, it differs from what's on the report." Well, that's tax withholding. That's an estimate of what taxes do. It could have been more, it could have been less. You'll find out on April 15 when you do the taxes.

But the children, especially if they're getting the benefits, yeah, I'd like them to do that FAFSA ... I'd like 'em to do the FAFSA someday. And to do the FAFSA, they're gonna have to upload their tax information. On the right hand side on the bottom of the slide, if you have the slide, this will make filing a lot easier, as I mentioned earlier, on the FAFSA. The new FAFSA is to be due by federal law, October 1, 2025. Yes, sirree. That would be the 2026/'27 FAFSA. It should be available by that date, but that's gonna use 2024 tax information. So I tell children or their guardian, you know, these 17-year-olds, have it so you can do the upload a little easier. Kind of do your taxes now, even if none's due, it'll make life easier to do your FAFSA. Thanks.

**Christine Murphy:**

OK. Next slide, please. So Mark, let's talk about other concerns with exemptions and deductions while we're talking about tax filing.

**Mark Dunlop:**

If you go through the software that you download from Military OneSource, that's pretty comprehensive software, and it's gonna ask you a lot of questions, and then based on how you answer it, you'll see a couple of potential tax credits. One, if the decedent's final tax return, maybe they qualify for an earned income tax credit. If a soldier didn't work all 12 months or a service member didn't work all 12 months, pardon me, 12 months, didn't work all 12 months, and that was the only real income in the family at the time, it could very well be there's an earned income tax credit because the annual salary for the year could trigger that.

The beauty of using some of the software that is available to you, is that you can see if you do qualify on that return for an earned income tax credit. I also have some surviving spouses not working, They're living on the SBP and other income. In some cases, their income is low, they're basically doing part-time work. They're raising the kids. It could very well be there's an earned income tax credit, or a child tax credit, or an additional child tax credit if applicable. So you have a lot of the unique things that could be coming

through. So using a software like the Military OneSource downloadable software that's available to you is a slick thing to do.

Also, if you look at their software, and we run into this with many families, that they also look at the adoption tax credit. They ask you a couple questions, "Does this apply with this?" And you would see some unique things that are out there. The bottom line is using a professional software, similar to what we just talked about, is helpful because it gives you a chance to make sure that the federal income tax credits are out there. And it also gives you a snapshot and gives you an opportunity that for next year, if you do need to adjust the withholding, it gives suggestions on how to do the withholding proactively for the future.

**Christine Murphy:**

Next slide, please. So Mark, let's talk about, as we're closing this out, let's talk about finishing and signing the return. Some people might think this is a simple thing to do, but making sure that if you're doing the returns for the decedent, making sure that you write deceased on that return, or KIA if they were killed in combat, so that it makes ... There are certain things that you need to do. You wanna elaborate more, Mark?

**Mark Dunlop:**

Yeah. And, usually, people are doing paper claims on this, but it's so emotional. Filling out the final tax return on behalf of the deceased, it's not a difficult thing to do, it's an emotional thing to do. So if you're using the Military OneSource software package and you get stuck on a question, pick up the phone, Military OneSource can guide you through that. Sometimes it may make sense, we'll talk about it later.

You know, you wanna see someone face-to-face, there are some options that are available to you. But, you know, I've been in the field 45 years, and I'll tell you, this is one of the tough topics: doing a tax return on behalf of the deceased. And I have some people that didn't do it yet for 2023 or 2022. I said, you know, "If we can guide you, that's great. There's some details that you want to be aware of." And then how do you sign the return? If you're a surviving spouse and filing a joint return, we put some directions there, and if you are a personal representative filing the return, how to do that.

**Christine Murphy:**

Next slide, please. And finally, where do you send the return?

**Mark Dunlop:**

Well, normally, you're told where to send the return. Electronically, it makes it real easy. But if you have to mail a return, where to go? I remind people, for service members killed in the combat zone, there's a special mail, mail zone, mail stop, whatever it's

called, at the IRS in Kansas City for the nation. So that's just a handy thing to do if you're running into that situation, and we'll talk about abatements and things later on, not necessarily a death from last year, but let's say you're saying, "Well, you know, that death was three years ago," or "I now wanna do that," you have a special help desk or help location that is handling those situations. So when they see the KIA on the top of the tax return, they're sensitive to it and will work with you. So I just bring this up, that you have it handy as a reference of the special mail stop for those returns.

**Christine Murphy:**

OK. Thanks, Mark. Next slide, please. So now we're at question number four, what is reportable income? Generally, any amount that's included in your income is taxable unless you have exemptions for it. And that income that's taxable must be reported on your return, and it may be subject to tax. Or based on your deductions, you may have paid more in taxes than was due you. Mark, you wanna add to that?

**Mark Dunlop:**

Yeah, thank you. Of course if you're getting a W-2, yeah, you report it. Of course if you're getting a 1099 interest dividends, you gotta report it. But many people don't realize that there are some things that they might not have received in the mail, and that's still reported to the IRS just in case it didn't make it to your mailbox. So if you had some dividends, income, interest that accumulated before you put money into a Roth IRA, we can talk about that later, Social Security, either go on the systems, past employers, Social Security website, go to your bank statements and see what the 1099s are. But if you had interest, it's taxable. Now I wanna clarify, VA benefits are not taxable.

**Christine Murphy:**

Next slide, please. So there you go, you walked right into our next question. So which of the benefits are tax exempt? So beginning with life insurance such as the death gratuity and the SGLI, that's the benefit itself, are tax exempt. Now if you earn interest on the benefit, that interest is not necessarily tax exempt. Mark, you wanna elaborate?

**Mark Dunlop:**

Yeah, and this is where the Heroes Earnings Assistance and Relief Tax Act of 2008, also known as the HEART Act Public Law 110-245-S109 comes into place. Basically, remember in the early slides we talked about saving decision, investment decision and tax decision?

This is a huge, huge one. And the earlier people address that, the better, because if you have ... Let's say you get Serviceman Group Life Insurance and/or Death Gratuity, let's say it is 600,000 and you just wanna park it in two or three banks 'cause of FDIC limits, you don't wanna put more than a quarter million in one location. Let's say you put it in

three banks and you average a return now of 4%. You know, nothing fancy, you're not investing it, you're saving it for the short-term. Save it, fine. What's 4% of 600,000? Do the math there. 24,000 bucks. Do you wanna pay income tax on 24,000 this year? And by the way, if you don't need the money and it's still growing, do you wanna pay taxes on 24,000 plus interest next year and 24,000 plus interest next year? Do you wanna pay taxes on all the money growing? Most survivors say no. If there is a way to not have to pay taxes on the growth of the money, sign me up.

And I said, "There's nothing to do. Just tell your financial institution that you'd like to put it in a Roth IRA, the normal limits." Like, I'm over 50, I know I don't show it, it's Clinique. But, you know, jokingly. But the interesting thing is if you're over 50, you can put 8,000 into Roth IRA. If someone's under 50, you can put 7,000 into Roth IRA. But if you're getting a SGLI or Death Gratuity, and you can put it all in addition of what you're allowed to do into a Roth IRA, in addition, you can put that into the Roth IRA. So there is a tax opportunity. Now if you wait until the 364th day of the year, that's fine, you got it under the 365 days, they can do the HEART Act, but the interest that grew, the interest that grew from day one to day 364 is taxable.

So a lot of people early on, make a tax decision knowing that they can always pull the money out of a Roth IRA up to the cost basis at any time. So I have many survivors, even in the first month or two, they don't make an investment decision, but when they put it into a savings, they make it a Roth savings account to get tax free growth, even for the first year. But don't worry, the good news is you have 365 days to make a tax decision. This is not an investment decision, it's a tax decision. And for most individuals, they say this is a no brainer.

**Christine Murphy:**

Correct. Also keep in mind for when you're talking about benefits that are tax exempt, like you said, the benefits coming from the VA such as the DIC or the education benefit, the DEA education benefit, Fry Scholarship payments that are ... or other scholarship payments from nonprofit organizations, those benefits are not taxable to you. So sometimes I get questions when survivors are trying to prepare to get their documents together, they're like, "I didn't get anything from the VA for ..." You're not gonna get a 1099 from the VA 'cause those are not taxable benefits. Next slide, please. So what income, expenses, assets, salary and withdrawals should be reported? Mark, you wanna start out?

**Mark Dunlop:**

Well, first of all, we mentioned earlier, be sure you got all the W-2s and 1099s. This applies to all Americans. I mean, right now, I'm doing my own taxes and I said "Wait a second, I'm missing one." And, you know, it's a spot check. Make sure you have it all, because even if you gonna use a tax preparer, you're gonna have to give them the shoebox, and if it's missing one, it's not gonna be an accurate return. So if the payer

issued the form to the individual, they also issued one to the IRS. Sometimes, though, one could be overlooked, one could have been just discarded accidentally in the junk mail, or they didn't get it in the mail and they just forgot to go online to look for it. So you wanna be sensitive to that.

I also encourage people to be sure that if you made a withdrawal from anything, a Roth or even a non-Roth account, that you have a tax statement for that, or you have a paper that you can then input into your tax return. Again, don't have a heart attack, "Oh, do I have to pay taxes on my withdrawal from my Roth IRA up to the cost basis?" No, but you still have to let the IRS know what you did. So you have some issues that are related to that. By the way, that form is 8606.

**Christine Murphy:**

And I would say when you're doing Roth withdrawals, keep in mind it's always a good practice for you to keep track of how much of the principal that you're pulling out. I know, so that when you're reporting, I pulled this, because what you don't want to do is start going into interest because you didn't keep accurate records of how much of the principal you pull. So it's up to you to make sure that you also keep track of if you are making any type of withdrawal from your Roth IRA principal, you need to keep records so that you stay on top of what you have taken out of that Roth, and not depend on other documents. It's your responsibility and if you go over, IRS is going to know and they are going to penalize you for it. Just a thought. Next slide, please. So what tax credits are available to pay for higher education, Mark?

**Mark Dunlop:**

Many of our survivors miss this, but sometimes they have an opportunity, and the Military OneSource software catches this quite well. The two big ones that I see coming into play is the American Opportunity Credit, which I've documented there, and the Lifetime Learning Credit, which is on the next slide. So we wanna be very careful here, and the software package that you do have through Military OneSource, it helps figure out which is the best one. Now an important distinction is that you can't double dip with the two educational credits.

That means you can't claim both the Lifetime Learning Credit and the American Opportunity Credit in the same year for the same student. You need to choose between them. And the American Opportunity Credit is available for each qualifying person on a tax return, while only one Lifetime Learning Credit can be claimed on each tax return. The software will walk you through that very practical situation. And for some people that have educational expenses out-of-pocket for whatever reason, you know, don't ignore these two potential credits. Oh, by the way, you won't have the chance to ignore it because if you answer the questions carefully on the Military OneSource software, it's gonna prompt you for it. But now you know what you're being prompted about and why, it's good news.

**Christine Murphy:**

Great information. Great information. Next slide, please. So let's talk about what items are exempt from reporting, we've briefly touched on that, and then talk about the standard deduction. Mark?

**Mark Dunlop:**

You're right, Veteran Affairs benefits are not taxable. That's great. And then the standard deduction ... I gotta share, I had the honor three weeks ago, to do a presentation for the National Guard Survivor Outreach Army Coordinators, and I know some are on this call today. It's an honor to work with you and I really appreciate that. But what we brought up on that conversation, I told this story, I said I had a lady, it was the day of that presentation. She came and she just wanted to be sure she had everything ready to show to a tax preparer. She was gonna have it done manually by someone. And she brought in a shoebox, and she had things in there: what she gave to the place of worship, she had her tax statement, she had her mortgage statement, she had a really good shoebox, and she had a lot of things that, yeah, were itemized, and bills, including some of her medical bills not covered by TriCare. She was so proud at her organization skills, and that shoebox, yeah, it was pretty full.

I smiled at her and I said, "Approximately what's the total in the shoebox other than, you know, medical bills?" 'Cause that's even bigger because that's only for the excess over 7.5% of adjusted gross income. I said, "What do you think is in this shoebox?" And she said, "Oh, about 9, \$10,000 of receipts. I wanna use 'em all, that's why I saved them and it's in the shoebox." I smiled at her and I said, "I'm glad you have the shoebox because we could double check. But it turns out in this particular year, you're filing a single, and in reality your standard deduction is 14,600. Because your shoebox, the value of all those receipts are gonna be under that amount, may I encourage you to take the single standard deduction? Because your shoebox was only \$9,000 of receipts." And then she said, "So if I gave an extra \$20 to the place of worship, it wouldn't have helped me financially in the taxes?" I said, "That's true, but did you want to give that extra 20 to your place of worship?"

And she said yes. So it's not a tax decision. "Now, if you ended up giving and all the other receipts were over a certain amount and now you're over 14,600, you have the shoebox. So come back next year and bring that shoebox and whatever the limit is for 2025, which we know is 15,000, we'll see if the shoebox weighs, if I can use that phrase, more than 15,000, and then we can address it, then we can use what's in the shoebox." And that simple explanation, she smiled about. I hope that helps you too.

**Christine Murphy:**

Great information. Great information. Next slide, please. So, earlier, you talked about abatement briefly, and said we'd get to it. So what type of taxes can be abated? Let's dive into that, abatement.



**Mark Dunlop:**

Abatement can mean different things in different target audiences. We talked earlier about property tax abatement, so I wanna make that clear. A property tax abatement is what you can get on a service-connected disability. Many of our active-duty deaths are service-connected disabled, but it also is an expanded audience. And I know we have some other survivors that are not active-duty on this call. Welcome.

And if you have proof from the VA that you have a service-connected death, that could be as simple as a VA statement saying you're getting DIC, depending on the office of the VA, office of the tax assessor where you're at, how they wanna look at the VA letter. Some want an official letter from the VA saying you're getting DIC. So that works quite nicely, tax abatement. Now I live in the State of Missouri, we don't have a tax abatement for property tax, but if you go across the river to Illinois, they have an extremely generous property tax abatement.

So it differs by state, and then if you go to some of the states on the East Coast, it differs by how it's interpreted by municipality, although there's a lot of changes going on with that. So I want people to be sensitive, are you a military survivor of a service-connected disability? A survivor with a spouse who had that situation? And are you getting a property tax abatement? And if you don't know, you might wanna check with the tax assessor in your area if you're getting it. And make sure that all the forms are on file for tax abatement, at least for this year. Some municipalities, if you didn't do it for the prior year, will work with you on that, few and far between, but that's something to even ask if this was like an "Aha!" conversation. Like, "I never inquired." But at least we got it going for moving forward.

So thank you for that. Now, abatement. Abatement has another situation. What are some of the tax provisions for survivors? If the surviving member died because of active duty in a combat zone, that's another type of abatement. We talked about it earlier, where you can abate your taxes. Now I'm gonna give you a lot of reference slides on this because there's not a lot written there. But any taxes paid for the year of death will be refunded, even stateside death, and any tax liability at the date of death will be forgiven. But the abatement, actually, can go back to prior years, retro up to the first deployment the service member was in a combat zone. So if he was in one combat zone and passed away, technically, let's say two years ago was in a different combat zone, you can go retro to that.

Now, there's different interpretations on it that could ... One interpretation is you can actually go all the way up to the three years statute of limitations. Some tax professionals feel that on the abatement, you can go further back. That's between you and your tax preparer. The way I grew up was, three years statute of limitations. But I know that question does come up.

**Christine Murphy:**

Next slide, please.



**Mark Dunlop:**

So this is an enrichment slide on the forgiveness for combat debts. Just want people to be aware of it. That's out there. It's more of a reference slide. And I'm so glad that Military OneSource is making this presentation available to you after this is over, so you do have some of these slide decks 'cause it's a good reference tool to just look at some of the minutia on how do you do and request for the abatement. Thank you.

**Christine Murphy:**

Next slide, because it's gonna continue with this. So talk about the previous tax treatment.

**Mark Dunlop:**

Yeah, yeah, and how far to go back? Again, you know, the statute of limitation usually is three years. Again, different interpretations; there is inconsistency on that. But I want you to be aware of what does section 692 , what is abated? Technically, it says it can be abated retro to the first day a person serves in a combat zone. It stipulates “a combat zone” rather than “the combat zone,” that gives clarity that it could be a different location as compared to the first or second deployment.

So you have some things that are out there, and then how to get the refund that's out there. So those are some of the thought processes. I'm throwing in 6511 , about the three year rule. I know there's different opinions on it. Thanks. And this is a wrap-up slide. Again, reiterating what we have, rephrasing it, talking about the three year, I just want you to have it as a reference because it's tough even to find this information, but it is public domain by looking up all those codes. You now have the secret sauce, if I can use that phrase.

**Christine Murphy:**

Sounds great.

**Mark Dunlop:**

Public domain.

**Christine Murphy:**

OK. All right, Next slide, please. Let's go to our next question. So let's talk about what are some tax preparation resources.

**Mark Dunlop:**

First of all, we talked about it earlier, MilTax, and the support that you get through Military OneSource. That's great. Some people like face-to-face. You know, Military

OneSource has resources that are out there, they have a lot of tools and, you know ... A great tool. But if you're really looking for face-to-face, and I have this sometimes with new survivors, I have this sometimes with retiree survivors that come to our place. They want someone to just hold their hand.

They wanna bring the shoebox and see what is applicable, and then hand what is applicable like the 1099s and W-2s, and if the shoebox is over the limit, to someone who can guide them, they just want face-to-face. There's a program known as the Volunteer Income Tax Assistance Program. You'll find that on a couple of military bases. In a few places, you will have a VITA Center near a military base, and throughout the country. Now what I tell people to do is, if you want to go this route, the VITA tax volunteers in many cases, but with a heart of gold, and they've been there, done that, is see if there's one in your area and see how ... Do they take in walk-ins? Do they do ...? You know, how do they handle drop-offs? Not as common. And if they will guide you and help you, you'll do an intake form, form 13614 .

You'll do an intake form, and you fill out an intake form. They'll just do some typing to help you out through the intake form, and guide you. You'll look it over, you'll sign it. A nice service that the Volunteer Income Tax Assistance Program has. That's a good resource, and that has been my number one go-to when people want to have face-to-face. Now the AARP Foundation Tax-Aide Site has some resources, again, with several volunteers. So that is another option out there.

**Christine Murphy:**

Next slide, please.

**Mark Dunlop:**

But there's more, other options. But before I talk about that, I'd like people to be aware of that form I mentioned. You know, look at 3676-B. It also reminds you what to bring, what intake information to have that you bring over when you're gonna have someone guide you and help you do the preparation of the return. Many services that are out there vary by site due to the availability of volunteers certified with the tax law expertise required for your return. The IRS checklist is out there, so if you go and have an appointment, look at the checklist so you know some things, "Aha! I should bring that." Now there are some additional resources available. MyFreeTaxes from United Way is out there, if that works.

Sometimes we do have some people that say, "I no longer qualify for Military OneSource services." Here is a potential option that has been made available that the IRS notes on their website as an option. Other online help for military families can be found, again, by Military OneSource. And the IRS Free File program is available that some people avail themselves to. I am not discounting any of these, not promoting any of these, but what I am saying is if you want face-to-face in many situations, there still are some resources available to you that are done, in general, by volunteers.

**Christine Murphy:**

Great. Next slide.

**Mark Dunlop:**

The links. Everything I shared with you, with Christine, you will see. I tried to give you references. Remember when we were young, we always, if we had to do a report, we had to put a bibliography out there, where we got our resources from and footnotes? That's exactly what we're doing here. Christine and I put together some tools related to what we covered in our part one of the presentation, which was preparing the taxes. I hope that these resources help you.

**Christine Murphy:**

OK. All right, next slide, please. Next slide. So, we're going to part two. And we talked about the tax part of it, so now we're gonna go into the discussion questions on tax and financial planning. The topics we are going to discuss briefly with you are what are some proactive tax planning techniques?

What are some tax withholding considerations? How do I import tax information when doing applications such as a FAFSA? How does Social Security and Survivor Benefit Plan impact tax planning? How does the Roth and non-Roth TSP, 401 , IRA, impact tax planning? What are the potential Roth opportunities going forward? Where and how to report Roth distributions? And what are some legacy planning considerations? So that's what we're gonna briefly go over in this last portion of our discussion today. Let's go to the next slide, please. So let's talk about, Mark, what are some proactive tax planning techniques?

**Mark Dunlop:**

And I love talking about that. You know, when you deal with a survivor outreach financial counselor, which Christine and I are honored to be, it's not all solving problems about money management. Oh, sure, we can help on that. But it's often being proactive how your money can grow tax effectively, being not reactive, but proactive. And that's exactly one of the topics when I have the honor to interact with a military survivor, I remind them what they can do. I'm very candid. I love the Roth IRA, it's my favorite four letter word. Why? Because it allows me to save money that I don't have to pay taxes on the growth. And if I need it, I can pull it out.

Before we get deep into the Roth IRA, I'd like to explain a concept that I had to share, actually, with my own daughter. If someone's over 50, they can put \$8,000 this year into a Roth IRA. And, actually, if they didn't do it for last year, do the same. If you're under 50, you can put 7,000 this year and 7,000 for last year. This is an addition to the Roth limits that you have at your work site, which could be significantly higher. So you do have a lot of opportunity to put money in for tax-free growth. Yes, for many survivors, I

encourage them if they have a part-time job, if they can add to their Roth, do it. Now why did I mention the story of my own daughter? She said, "Dad, let me get this straight. My earnings aren't fair. I'm not complaining. I love what I do. I'm a teacher. And I do a good chunk out of my Roth at work. Are you saying I can also do a Roth IRA in addition to that?"

"Yeah."

She said, "So if I put seven in for last year and seven in for this year," whatever, or close to it, depending on what the limit was. "If I put it in on the Roth IRA, or close ... If I fund my Roth to the limit or even close to the limit, I get tax free growth for the rest of my life, and I can still pull out the cost basis at any time?" I said, "Yes," and she said, "Wow." She said, "Well, wait a second, what if I need the money for a transmission to my car midyear?" I said, "Fine, take a withdrawal out of the Roth IRA and report it on your taxes. Meanwhile you had tax-free growth. It's that simple." So that's the concept for why I like the Roth.

So that's a key thing. So proactively I ask people, can you afford to do a Roth close to your max limits, or whatever it is, your max limits at work? And then maybe a Roth on a Roth IRA, 7,000 or 8,000 for this year and whatever you have for the catch up for last year, and the next year do the same, whatever the limit is for next year, which has not been published yet. So that's a very important concept that I tell people to do. Proactive, fund a Roth.

**Christine Murphy:**

And talk about the stepped up cost basis when you're not talking Roth, you're talking about other inherited assets.

**Mark Dunlop:**

Yeah, we gotta be... It's kind of interesting. Let's say you inherit a home. I had someone who just inherited a home. The cost basis when it was purchased was 150,000. At the time of death, it was actually, for the home they inherited or the asset they inherited, was 500,000. They said, "Well, I just inherited this home." 500,000. That's your cost basis.

So I want people to be aware that when they sell that home, know what it was valued at at the time of the transfer, 'cause that'll be your cost basis. So if you sell it at a loss, you could have a loss carried over on your taxes. If you sell it at a gain, you're gonna have a gain on your taxes. And for many people that inherit something, by the time they're done with fees, realtor fees, whatever, they might have a little bit of loss or a little bit of gain. So whatever it is, it's not over what was the value of the home that was purchased by the decedent, it's the value. So I encourage people at the time, if you're getting something 'cause of a death, know what the cost basis is of the assets 'cause if you ever

sell an asset, especially if it appreciated, it'll be based on the value on, basically, the death date, in general. So, excellent.

**Christine Murphy:**

OK. Next slide, please. So continue talking about proactive tax planning techniques.

**Mark Dunlop:**

Well, I noticed several GS government employees are in this program. I also know that ... I know some of the survivors that are on this program, they're still working. We also have some contractors in this program that have 401 plans. I say, one, I'd encourage you to look and max out your own 401, your own TSP, your own program you have for savings going forward. But one thing a lot of people don't realize is if there is a survivor ... If you're getting a Thrift Savings Plan from a service member that passed away, because you're the named beneficiary or you're the default beneficiary because there was no named beneficiary, what do you do with the money? I've had people who say, "I got the money, and I cashed it out." Well, that's a taxable event if it was non-Roth money.

So often I tell people, "When you work with, in this case it would be Thrift Savings Plan, or anything that you're inheriting, slow down and see if cashing out is really in the best interest." A survivor that I worked with last week contacted Thrift Savings Plan. It was a spouse and said, "Hey, keep it running. If it was doing well for my husband, keep it running in that relationship." And they just ... In essence, she picked new beneficiaries. If there is gonna be another death, she picked new beneficiaries, and she basically has it in her name and it's just gonna grow, hopefully tax free. There's no guarantee unless it was in more of the G-type of account, but not bad. So she's not doing that. I had another situation where the TSP was left to an adult child, and yet another one was left to a parent. So they cashed it out. Totally cashed it out. I said, "OK, that's what you did on the TSP." And now I'm not talking about Roth TSP, I'm talking TSP. "When did you cash it out?" "December 15."

I said, "Well, you're gonna owe taxes. You did not do a roll over to an inherited Roth IRA or inherited non-Roth IRA. You didn't do a roll over, you cashed it out. April 15, you're gonna be paying taxes on that." So the question I often get is, "What are the alternatives?" I often say, "Perhaps you work with the financial institution you're comfortable with if you're gonna be getting TSP, if you're not a spouse." Most spouses aren't keeping it there, I'm told. "But if you're getting the TSP, if you're not ready to pay taxes on it, roll it to, in essence, an inherited IRA or inherited program." And depending on a lot of situations, you probably have a minimum of 10 years of more of the tax free growth. Maybe take a little of the taxation pullout over 10 years, maybe do it all in 10 years. Under the Secure 2.0 Act, you have a lot of flexibility that's out there. But it also gives a wake up call. A wake up call.

I had a mother recently, and a father, they were together, and they came to me and said, “We did not know that we could have put all 600,000 into a Roth IRA. We missed the one year deadline. I know, we saved it, but we didn't do a tax strategy.” Going back to that early slide we had, they said, “We didn't do a tax strategy. We missed the one year deadline. What can we do?” And both of the parents that I was dialing with were over 50-years-old. And, sincerely, they were frustrated that they didn't meet that one year deadline.

So I said, “This is an idea. Max out your Roth 401 at your place of work.” One of them actually was with the government, so it's a TSP. Hit those limits, and then also hit the max Roth IRA limits that we just talked about for 7 or 8,000. And between the two of you, you can put 78,000 this year into a Roth. And next year, you can probably put, with inflation, you'll have higher limits most likely, let's say it's 80,000. And over five years, you'll be able to put, if that was your objective, maybe six years, if that was your objective, put in what your goal was to put into the Roth IRA over time.

And if your goal was to put the whole 600,000 in, gosh, in seven or eight years, you'll have it done. She said, “I wish I didn't miss the one year deadline.” I said, “I don't wanna ... That's spilled milk. But let's go forward strategically and max out the Roth opportunities that are available to you as a citizen, at your workplace and the Roth IRA.” So this proactive tax planning technique, really, it's twofold. One, I encourage people to max out Roths if that tax savings, tax effectively, makes sense for them, both at work and also an individual IRA. Number two, if they feel frustrated that they missed that one-year tax deadline to make a tax decision, move forward positively and really max out your Roths.

**Christine Murphy:**

OK, next slide, please.

**Mark Dunlop:**

What are the limits?

**Christine Murphy:**

Mmm-hmm.

**Mark Dunlop:**

Right.

**Christine Murphy:**

Go ahead. Yes, Mark, continue.

**Mark Dunlop:**

Yeah, what are the limits with TSP, 401 , 403 you're seeing before you? You know, people over 50 can actually, you know, put in 31,000 this year to the Thrift Savings Plan. There's actually a blip this year for the first time. If you're between ages 60 and 63, you can actually put even more than that. You might not have money left over for a new car, but you know you're saving tax effectively. So there are some blip limits to bring it up for those three ages. \$34,750.

In fact, the case I talked about, actually that family can actually put a little extra in this year. But nevertheless, nevertheless, I want people to be aware they can put money into the Roth TSP, that's part of tax planning. So when I meet with someone and they talk about tax preparation, we help them. But now we're proactive to talk about moving forward on their own.

So these are great guidelines and I just wanna remind people, even those on the phone, I know we have some providers on the line, you know, do your own soul search. If you have any play money, put a little more into your Roth at work. If you are working and you can afford to put some money in a Roth IRA, now is an opportune time. If you feel that you might need that money, remember what I told my dear daughter, you can always pull out up to the cost basis if you need it. It's not like we're making an investment decision. We're making a tax decision. Thanks, Christine.

**Christine Murphy:**

Next slide, please. So, Mark, let's talk about the features of that Secure 2.0 legislation, because it did make some things change.

**Mark Dunlop:**

Now, for one thing, it allowed people that are 60, 61, 62, 63, to put more money in. But it did change the inherited Roth IRA. You know, I talk about it a lot, the HEART Act, the beauty of a Roth IRA, tax free growth. But in reality is, now the money goes to an heir if death occurs for the person that owns the Roth IRA. In general, there's an expanded rule if minors are involved. But in general, it's a 10-year rule that the party is over in 10 years, if we can use that phrase.

In general, you get tax free growth to continue after the person who owns the Roth passes on. But let's say they name as a beneficiary, an adult child, or a parent, or a sibling that's an adult, they only get 10 years of tax free growth. Now, many will take advantage of that to the full 10 years, but then tax free growth does not continue to occur. Now when this is over, they just take the money and do what they can. But what they might do, what they might do, is open their own Roth IRAs as best they can and max out at their workplace. But to let people be aware, the new law does put some limitations on how long this tax regrowth could continue after the owner of the Roth IRA passes on.



**Christine Murphy:**

In past years prior to this law, people, there was the ability for that money to be stretched out over their lifetime, but now that's no longer there. You've now got this tenure restriction. Next slide, please.

Also keep in mind that when Mark is talking about if you miss the opportunity to use the HEART Act and you're going to be maxing out, he's talked about maxing out your 401 and the like, keep in mind that he's saying this because I have some survivors who may not have a 401, and they're trying to open up a Roth with income that's not earned income. You've got that restriction, you've got to have earned income to take advantage of any of these other things that Mark is talking about. So just because he's saying, "Max out this, max out that," that's assuming you have earned income to match what you're putting in to the Roth, OK?

**Mark Dunlop:**

Thanks for clarifying earned income. Earned income is like income from working. So, thank you. Thank you. Now one strategy I bring up, this is not for everybody, but I always ... You know, I've had some survivors and I said, "Have you considered a Roth conversion?"

Let me explain that. We have some people that, and I'm dealing with parents, they got money now that came to them, but they also have other money and they're like, "Wow." And when we do some financial counseling, we look at it and many of them face the reality that many years ago, there was no such thing as Roth. The only thing they had was a traditional IRA or a traditional 401 plan. They didn't have the other options. So I said, "Well, what's in your 401? What's in your IRA if you don't mind sharing?" And they tell me the number and I'm saying, "Whoa." "There's gonna be a day of reckoning when you pull that money out." And they said, "Yeah, and probably, I think, we're gonna be all in a higher tax bracket in the future." And I said, "Well, I'm not gonna go down that path, but if you feel that way, and you think now we're at a low controllable tax bracket, you're in a 22 or 24% bracket, sir," is how I said. He said, "Yeah." But if you fear that you'll be in a higher bracket later on, or if you fear having too much money will change how you have to pay for Medicare Part B, which is based on income, you might wanna convert some of your existing 401 money or IRA money to a Roth and just pay the taxes now at today's known tax bracket. That's an advanced strategy, but it's one with parents, that come up periodically when we kind of help them look at the whole picture of what's going on.

So bear that in mind, that it is a topic with a financial counselor to see is that something to consider? And then they can meet with their tax advisor, if they have one, or their local financial advisor if they have one, to see, you know, the pros and cons of Roth conversions. It actually has worked nicely, I'm told by several of our parents that are trying to, you know, put things together in relation to the fact that they just got some money, they'd rather that they didn't get that money, but they're now combining it with

other assets they have, are now doing real financial counseling. Now that being said, I have many people that are not maxing out their flexible savings accounts, including dependent savings account, including military surviving. I have some military surviving spouses at bases, I said, "You have dependent care costs. Are you putting it into a dependent savings account at work?"

Are you maximizing your flexible savings account if you have access to it at your secular job?" So I often tell people, "Look at those two situations," especially our military spouses with a dependent savings account, are you putting money aside in a tax preferred manner so you don't have to pay income taxes on it, or Social Security taxes?

Although that changes Social Security benefits a tad. But are you maximizing, are you aware of flexible savings account and dependent savings account that are potentially available to you at your place of work? So that's an important thing I remind people. So for most employers, I know there's some exceptions this year with the DOD, but for most employers, this option is available every November, sometimes October, but in general November, for the following year, as well as some special enrollment opportunities as they arise. So don't discount, it's something I find very useful.

**Christine Murphy:**

Next slide, please. So, again, let's go over some tax withholding considerations.

**Mark Dunlop:**

If you have SBP, are you pulling out a lot? Many people were blindsided; you know, a year or two ago when Social Security went up, SBP went up 8.7%. And this year, actually, 2.5% on the SBP. Do you have enough taxes coming out? If not, you might want to adjust it as discussed earlier.

Again, I gave you the forms to use, W-4, W-4P or W4-V, and basically the bottom line is you can always adjust your withholding, which is an estimate to the real thing you do in April 15 of each year. So that's an interesting situation. Now this brings up the concept of the SBP, the Survivor Benefit Plan.

When I encourage people to show me or Christine or whoever they're working with for financial counseling, the OSBR report, I ask them to look at the SBP, I remind them ... I remind them that it's a very key situation with the Survivor Benefit Plan that you have the right taxes that come out close. You don't wanna have significant under withholding. So that's an important thing by April 15. Now, other tax withholding considerations. I encourage people to reevaluate what's coming out of SBP, gross versus net. What's the best way to do that?

You'll look at your 1099. If you got it in the mail, that's great. If you didn't get it in the mail, go online with your myPay account. Now, when we ran a couple of OSBR reports, and a big shout out to Jen Harlow and her team, Shaun Gaskins and Christy Pendegraft, great people on the team that have done a great job, a personal shout out to wonderful

staff that you have there. And what I have found is we've uncovered, when they ran the report, that the survivor says, "What's this SBP?" I said, "SBP you get. You're remarried. 'Cause you're remarried, you get the SBP." And the person said, "I never applied for it." I said, "Well, now's a pretty good time to do." So that report helped generate a dialogue that they should apply for the Survivor Benefit Plan. Thank you for doing that. That was a really key thing. The second thing is I had a survivor who, for some reason, wasn't getting an SBP at all. It turned out 16 years ago, they didn't apply. Now that is a story in and of itself, and it probably will have to go to ABCMR, or if it's an Army situation. Why did they not apply? They thought, "Oh, it was smaller than the VA benefits, so I didn't do it."

They didn't realize that there was, since 2009ish at least, an SBP offset program that was out there. So this report is a wake up call to see what options are out there and how to address those options, so I encourage people to run that every year. So tax withholding considerations, when we're looking at the SBP, combining it with the report, seeing how much this comes out, combining the fact you even get an SBP as a surviving spouse. And if you're a child not getting SBP and you're full-time in school and you're under 22, and you know that the spouse is remarried, that's another dialogue because, technically, you are entitled to the SBP under most situations if the death was in the line of duty.

**Christine Murphy:**

Great. Next slide, please. So we're here, we are just saying how to import tax information when doing your application on FAFSA. Now, Mark, I know that during the education training, we're only gonna briefly talk about this because there's gonna be another segment that's gonna detail FAFSA, and we wanna kinda stay within our time constraints. So, go ahead.

**Mark Dunlop:**

Well, first of all, I encourage everyone to do... I encourage people to do their FAFSA, even if they're getting another benefits, even if they're using the nonprofit benefits. And I notice we have people on TAPS on this call, thank you for all that you do to help people with their navigation of their potential educational benefits, not only from the VA but from the nonprofit groups, from the state, from the federal government. I applaud you.

So what's really key thing is I tell people, "Do the taxes and upload it." Also, when you do a FAFSA, it may trigger, if you're going to a state school or staying in state, depending on the state you're in, it may trigger some state benefits. Now, some of the deadlines for the state are early. I just wanna remind you, Missouri, for preferential treatment for next fall was January 31. But doing the FAFSA, doing it early, and be sure you answer question 16 carefully.

The definition says, look at it very carefully, it wants to know if you lost someone that was killed in the line of duty. And that applies to first responders, the military. Be sure you answer that if it's appropriate, if it's appropriate as a yes. And then you gotta go to

the school ... You could pick up to 20 schools to send your reports to. You gotta go to the school and give them documentation that you answered that question correctly. But that's something new over the last two years. As Christine said, we'll be honored to talk a little more of that in our next DOD conference call.

**Christine Murphy:**

Next slide, please. Oh, sorry, go ahead.

**Mark Dunlop:**

No, no. Next. Yeah, the enrichment.

**Christine Murphy:**

OK, so here we go. What do you do if you need to change your tax withholding for SBP or Social Security?

**Mark Dunlop:**

Well, our wonderful guests that we had together from DFAS, and thank you for staying on the line here, they make it really easy. Some people upload the documents and give 'em the information with askDFAS, other people use some of the other tools that are available. It has been a simple approach. But Social Security has also made it simple as well.

By the way, as an aside with Social Security, I encourage everyone that is getting a Social Security, even the children over 18, to have their own Social Security account. I logged into my account and it was interesting, it gave me all the estimates, but I also found out one of my past employers didn't even fund one of my years. There was a mistake somewhere and I'll get it fixed in my past life, and it showed up when you look at the historical, what was put into Social Security. It's a handy thing to do. If you registered for Social Security like 20 years ago, guess what? Do it again because of the new platform, it is a robust platform to register for Social Security, and then you can log in. So you have a lot of opportunities and a shout out to both DFAS and even Social Security for enhancing things. A takeaway is, make sure you have a Social Security account that you can log into.

**Christine Murphy:**

Next slide, please. So let's talk about how does Social Security and Survivor Benefit Plan income impact your tax planning? I think we briefly talked about that, but if you wanna add some more.

**Mark Dunlop:**

Well, we all know, and you see this on the reports that MyArmyBenefits puts out, and you see this on the reports, when the youngest child turns 16, Social Security goes into what in the industry we call a donut hole, and doesn't come back again unless there's a disability for the survivor, then it's 50, and then it doesn't really come back again until 60 if they want to take, with the reductions, Social Security benefits starting age 60. That being said, when people start getting Social Security again, let's say around 60, if that's what they want, although I have some survivors that are working, they're delaying it, or some doing some strategy that's collecting... You know, they wait until 62, collect on their name, go onto their spouse's name, or vice versa, whatever. We have a lot of scenarios.

But I want people to realize, now you've got two sources of income. You've got your own salary, plus you have the Social Security both coming in. So, somewhere, you want to take a little more money out. Many people will just increase the withholding at their work site, especially if they're only gonna be at the work site two or three more years. It doesn't matter, just have extra money come out when you have two sources coming in, especially when Social Security is coming back into the picture. So that's the takeoff. Great resources we put there for you on that. And again, on these links, I hope you find them helpful.

**Christine Murphy:**

Next slide, please.

**Both Christine Murphy and Mark Dunlop:**

Enrichment again.

**Mark Dunlop:**

Yeah, enrichment. This is all for enrichment. You know, we're looking at what we can do. Reminder, Social Security benefits may be taxable. Generally, Social Security benefits are not taxable if the individual's total income's under 25,000 if you're a single head of household. But, again, go through the software and put in what's out there. In general, as a review, who's taxed? It's the person who has the legal right to receive the benefits.

**Christine Murphy:**

Next slide, please.

**Mark Dunlop:**

More details on Social Security. The bottom line is in the event you have a disabled child, Social Security could continue just like VA continues, and just like if they are

getting SBP, because there was no eligible spouse or is no eligible spouse, that can continue. Three separate groups that you gotta work with if you are in that situation seeking continuation. And, in reality, you're doing the same thing for DEERS. We bring that up.

But, also, when we come to Survivor Benefit Plan planning, remember, children, if there's no surviving spouse, if they're in school and documented, it goes all the way to 22. Sometimes they get tongue twisted, especially with so many children saving the Fry benefit. DIC potentially can go to 23. Survivor Benefit Plan potentially can go to 22, and that, in this category, would be for the nondisabled situation. But remembering you have two different dates that are there.

**Christine Murphy:**

Right. Next slide, please.

**Mark Dunlop:**

This is a summary of what you heard from Jen Harlow a while back. And running that report there, her workshop was so stellar. Also, there's a workshop still on Online Survivor Benefit Report that I refer people to to log on and get their benefits. But, remember, you need a DS login to access the reports to get the interactive version. Have no fear, if you don't have a DS login for whatever reason, they will manually create it for you. That's just not something that I'm gonna do as a financial counselor. I'm gonna ask the people to get their report and then I'll review it with them. Again, I'd like the survivor to have a DS login, get a report, and then we can chat. That's how I work. And Christine, if you have any thoughts on that?

**Christine Murphy:**

No, I think that you've covered that quite well, Mark. Thank you. Next slide, please. I think as a recap, if you'll just recap, 'cause we talked about this kind of in-depth, but kind of give us a recap on how the Roth and non-Roth, TSP, 401 and IRAs, all of those investment vehicles, how do they impact tax planning? Give us a recap.

**Mark Dunlop:**

If you have non-Roth assets, 401 non-Roth, TSP non-Roth, whenever you pull it out in general, it'll be taxable. If you have assets in there and you pass away, it'll be taxable at some point to somebody when they pull it out. This is part of the reason Roth is so popular as opposed to non-Roth, since Roth came out. The issue is many people, when Roth was created, like Pavlov's dog, if you can use that example, they're doing what they did all the years and they do non-Roth. They're just "Next year, next year, next year." So I tell people, do some soul searching, do you wanna have your assets, in

moving forward, for moving forward, as Roth or non-Roth? With Roth, when it's pulled out eventually by you or your heirs, it's not a taxable event.

**Christine Murphy:**

Perfect. Next slide, please. So what are the potential Roth opportunities going forward?

**Mark Dunlop:**

I summarize it.

**Christine Murphy:**

Yes.

**Mark Dunlop:**

There's no taxes on growth, and one can withdraw the cost basis at any time. But those withdrawals need to be reported so the IRS knows that it is a withdrawal up to cost basis of the Roth. It's that simple.

**Christine Murphy:**

Yes. Yes. And you need to keep track of any withdrawals that you make. That's your responsibility. All right, next slide, please. So to wrap up, where and how to report Roth distributions.

**Mark Dunlop:**

This is more of a reference slide, but we get the question all the time. I encourage people to look at form 8606, make sure it was filed. And then if you need details, I give the IRS publication. Just wanna have reference for our group.

**Christine Murphy:**

Great, great. OK, next slide, please. Legacy planning considerations. I think we're wrapping things up, Mark. Go ahead.

**Mark Dunlop:**

Well, we'll be briefly touching on this in future dialogues, as part of legacy planning is communication of the vision to those that are close to you. What is your objective? And also have some self-evaluation. What's your goals and objectives moving forward? And is it really including some tax effective wealth transfer techniques? Legacy planning is not just how do I divide my assets and how do I distribute the assets?



It's planning and ensuring a smooth transition. And I encourage individuals to work with financial counselors to understand and maybe help them come to their own personal evaluation of, "Hey, what are my core values? What are my beliefs and principles that I have that I want to have continue perhaps as a legacy? And how do I communicate those goals to future generations also as a tax effective manner?" One of the roles as a financial counselor is the act of listening. Christine and I are two of several Survivor Outreach financial counselors. When we meet with people, believe it or not, we don't do all the talking. We listen and we help people to do soul searching, to understand what are they looking for in the future. And sometimes the client might not have taken time to consider it. We help them sit down and kind of look at the future in a relaxed manner. Legacy planning.

**Christine Murphy:**

Yes. Next slide, please. Here are resources. We've given you a lot of information today and so we've just included here some resources and some sites that you can go to to get more information on everything that have kind of been covered today. Be mindful, however, to sources such as .gov and .mil are vetted sources. Be mindful that when you're going out with sources, looking for more information, that you're going to sources that are credible and that will give you information that's been vetted. Anything you wanna add to that, Mark?

**Mark Dunlop:**

No, you know, be careful what's out there and if you are investing, you know, be mindful of the fees. You know, I have a lot of people who say, "Oh, I'm getting no commissions on the product I have." I said, "Yeah, but you're paying 1.5% of assets under management, so technically there's no commissions, but you're paying a fee under management if they're ..." So kinda if you are strategizing, usually I have the phrase, "There's no such thing as a free lunch." In general, what fees are you paying? Are you able to dissect that? Be aware of that. And at the same token is be aware of are you maximizing all the tax opportunities before you?

**Christine Murphy:**

Perfect. Next slide, please. And we are giving our resources, such as Military OneSource. Here are resources that ... Many resources that you can ... Some that you can contact for information. And Mark, you wanna close us out? Because I think that's the close, the end of our slide presentation.

**Mark Dunlop:**

Yeah, this is great, and one of those podcasts that we did with Military OneSource, and Bruce Moody — thank you for being on this call, what a moderator, it was a joy to work with you — is we did on December 2, and it really brought a lot of practical things. What

is a financial counselor? How to use 'em wisely, how to take advantage of the resources that are available to you from the Department of Defense. And at the same token, we actually spoke a bit about the Roth IRA and had an opportunity to talk about Social Security strategies.

So that was kind of an interesting thing. And again, we're gonna be back in June to, in essence, give part two of what we're doing, and I hope that people appreciated this. What a joy it was to do this with my colleague Christine Murphy, and also with the team with Military OneSource, and the Office of the Department of Defense. And it was an honor to listen to the other speakers, including the VA, and to have the director personally on the line was a real joy.

**Christine Murphy:**

Thank y'all so much. Any questions? Thank you.

**Briane Belke:**

And thank you, Mark and Christine. And so far, we haven't gotten any questions in the Q&A. We've got a few minutes, so we are at three o'clock. And, again, you know, there's always a Survivor Inquiry Form. You can reach out to us, we will get the answers from the right folks and get them back to you or get you directly in contact. And I think everybody can see this, I'm gonna drop in the location in chat that the Survivor Symposium recordings are on, and if I'm reading this right, everybody should see that down in the chat window. So there's the link where this will be posted, and the past recordings are there.

We did have some questions come from email I wanted to hit quick that ... Let me get to the right screen. And these were more for the VA, that VA is waiting on line of duty determination before making their service-connected determination. And that is, again, we're talking for active-duty deaths. The VA has to wait if the service still lists the cause of death as pending. They will not complete a line of duty until the service has completed their investigation. We had a question about VA and DFAS regarding remarriage and the holding oneself out to be married, which was removed in recent law updates so a spouse could cohabitate and have a commitment ceremony, and there will not be penalties anymore. And the last question was on the Dole Act. They asked, they don't see where the Fry Scholarship addresses remarriage, and it doesn't. For all the acts, remarriage, you're no longer considered a surviving spouse. And you can see the definitions in Section 101 of Title 38, and in the Dole Act it's specifically Section 303, it still defines a surviving spouse to include. You are no longer a surviving spouse if you're remarried.

And, instead, we can't comment on pending legislation, we know there's the Love Lives On Act, but we have to follow current law and policy. So any other questions? And let me, while we're seeing, you know, that was our final topic for the afternoon, and a reminder that the next symposium will be on June 27, 2025. You will receive a email, the

same email you've got as the invite to this, you will receive an email with a survey link. We appreciate any feedback on the event. Any ideas for future topics to discuss? And we said we've already got June's planned, but we welcome a topic you think you need to know more on, something we're missing. This event has been built on survivor feedback.

The whole event came to be because survivors we get to see, we go to outreach events, we get out to TAPS, Snowball Express, Tuesday's Children, and this event came directly outta questions we received from survivors, and suggestions at those events. So this is for you, please let us know where we can assist you. And, again, the recordings will be available, transcript on the link I posted. And you can always reach us through the Survivor Inquiry Form on Military OneSource. All right, and with that ... Yeah, no other questions. Thank you all for attending. You may exit the meeting now. Please have a great weekend and we look forward to hearing from you. So, take care.

**Panelist:**

Thank you.

**Panelist 2:**

Thank you.