



by Kirk Windmueller

*Editor's Note: A version of this article was first posted to [LinkedIn](#) in January, 2018. Certain portions have been updated.*

After 22 years, this is my final week in the Army. I thought I would share some lessons-learned during my retirement process (a time that comes for all of us eventually). Whether you are five years or 12 months from your retirement window, hopefully this will give you some good info to reflect on. Additionally, I tried to keep this primarily focused on decision points you will be faced with as you are planning your exit.

### **Key takeaways:**

1. **Do the math.** As a retired O-5 with 20 years, you will get 50% of your base pay, which (pre-tax) is about ~\$4900 a month/ \$58,800 annually (or ~\$7000 a month/85,000 annually for O6 w/ 24yrs at 60%). Considering you probably make close to \$150K with

BAH and other benefits right now, this is a substantial pay decrease if you don't continue to work. Bottom line for your finances: if you just want to replace what you are losing, then you will need a \$100K job. If you want to make \$150K+ with hopes of investing your full pension, opportunities are out there but they are competitive and may require additional education/training and heavy networking (more on this below). If you aren't going to make O-6, you are incurring opportunity costs by delaying retirement and staying in for 2.5 % a year pension. *If you are a different rank or have a longer service period, make sure you do your own calculations and assessment.*

- 2. Start planning early (like now).** Build up leave, register your spouse and all your kids for your Post 9/11 GI Bill benefit (will come with an additional Active Duty Service Obligation (ADSO) if you haven't done this yet), sock some money away (have at least 3 months pay cash reserves) and build up your TSP/IRA/401K. Figure out where you want to live and understand the state/federal tax impact on your retirement.
- 3. SGLI ends when you retire (120 days after your retirement date).** Veteran's Group Life Insurance (VGLI) is a term-life option you can choose as a replacement to SGLI. If you are uninsurable (service related injuries, terminal illness, etc.) then VGLI can offer you similar coverage that SGLI afforded you while on active duty. If you are insurable, VGLI is absolutely better than having no term policy coverage, but I have found that you can do much better with a term life policy from a private insurer. I was able to get a lower premium and higher payout with a private insurer. Calculate how much you need and shop around. If your kids are grown and you have very few bills and no mortgage, then \$400-500K might be a good baseline. The longer you wait and the older you get, the more expensive the monthly premiums become. *Important Note:* seek private life insurance before you start a VA disability claim. Certain conditions or a high disability rating can cause your rates to skyrocket or make you uninsurable.
- 4. Survivor Benefit Plan (SBP).** SBP is basically insurance for your pension (not to be confused with VGLI) and is similar to whole life insurance. Bottom Line: without SBP, your pension dies with you and your spouse gets nothing. *With* SBP, your spouse will continue to get 55% of your pension for the rest of their life. Here's how it works: you pay a monthly premium based on your pension (ex: for a \$4000 a month pension the cost is \$260 per month premium) and you pay into this for 30 years (360 payments x 260 = \$93,600). After 30 years, you are fully vested and no longer have to pay premiums for your coverage. If your spouse outlives you, they will draw the monthly annuity of \$2,200 (55% of \$4000) or \$26,400 annually. It will only take **3.5 years** to earn back the \$93K premium. SBP also has a plan (for about a \$5 monthly fee) for your kids if something happens to both you and your spouse. Your kids would draw the annuity (split between them) until your youngest child turns 18. Do the math to see if SBP is right for you. Shop around for private insurance options as well—depending on

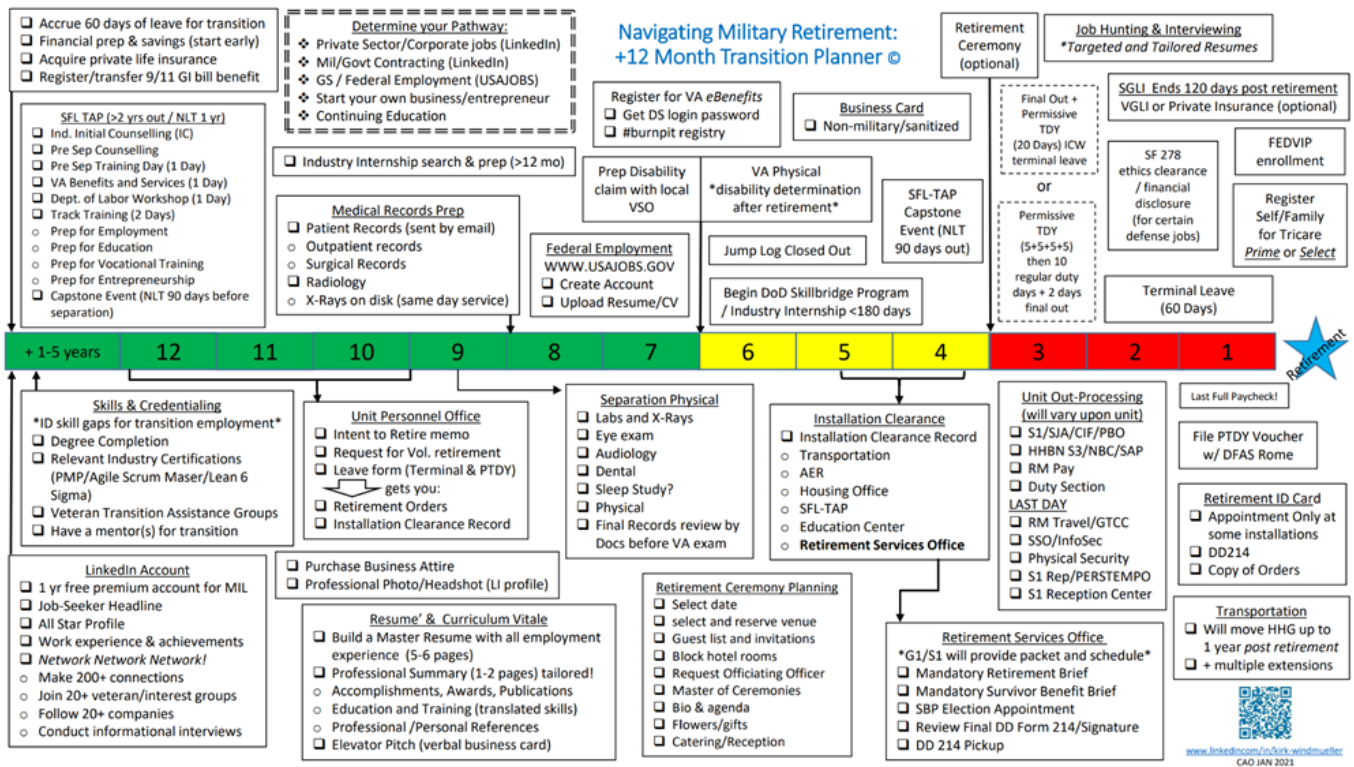
your insurability, they may have better options to meet your needs. If your needs change and you want to cancel your SBP, you can only do this between 24-36 months. Otherwise (barring a few other exceptions) this is a 30 year commitment.

5. **Health Insurance.** After retirement, you can enroll in Tricare Select (formerly Tricare Standard). You have the option of enrolling in **Tricare Prime**, which is a great plan (if available in your area). Cost is about \$560 a year and covers free medications for your family and most everything else if you use a network provider. Some on-post clinics accept Tricare Prime, but if not, you will need to pick a local provider. Also keep in mind your next employer may have insurance at a discounted rate as well. However, you have to wait until you are officially retired to enroll in Tricare Prime and Federal Employees Vision and Dental Insurance Program (FEDVIP). For FEDVIP, coverage can be retroactively backdated to your month of retirement to avoid a 12 month waiting period for major services like orthodontics.
6. **Transportation.** Another entitlement you have when you retire is one more no-cost move. For a year after you retire (and can be extended up to 6 years with 5 x annual waivers) the military will ship your household goods (HHG) anywhere in the US and store your HHG for up to 1 year after the move. You are allowed 2000 lbs of pro-gear and your wife has 500lbs of pro-gear if she works outside the home. Moving can cost \$15K-20K, so this is a huge benefit. It can also be a great bargaining chip with your new employer when you are negotiating your salary (ask for a signing bonus or higher salary if you move your own HHGs).
7. **Most transitioning military personnel don't have a firm grip on what they want to do next.** Many fear that they can't break into the private sector as military skills aren't of much value in the civilian world. This couldn't be further from the truth and there are multiple veteran transition groups (the [Honor Foundation](#) is a great one geared towards SOF personnel) whose sole purpose is to help you out with this. There are scores of companies that *want* to hire vets. *LinkedIn* is one of the best social media tools to see what is out there. Start working on filling any skill gaps with courses as you are able (advanced degrees, DoD Skillbridge or other internship, industry certifications, etc.). Many are available at no cost to military personnel. It is important to show a habit of continuing education and professional development on your resume vice just straight work experience. This generally is not an issue for military folks, but if ILE or HALO are the last courses you took 5 years ago, look into getting some relevant business-oriented certifications or training.
8. **Continuously update your Resume/CV.** Use your OERs/NCOERs as a baseline to create a comprehensive resume or [Curriculum Vitae](#) (CV). This will be 5-7 pages, so you will use this to tailor each 1-2 page resume you send out to potential employers. Purge all the military jargon (tactics, weapons, marksmanship) and acronyms, and try

to translate this into civilian speak (i.e. command = leadership or management, Action Officer = Project Manager or cross functional team management, J4 = Multi-functional logistics, etc.).

9. **Job Hunt.** Looking for jobs early and often doesn't hurt, but jobs out there now won't still be there months from now. It is a little depressing to see that most jobs available require skills or experience that you either passed up earlier in your career or don't possess at all, but it does give you an idea about demand signal from your desired industry. While you can begin work while on transition leave with most employers, this does not apply to GS jobs. You cannot start a GS position until 6 months after your retirement date (NOT transition leave date). This is a 2016 NDAA restriction for DoD jobs (not for other Federal agencies), but it is possible to get a waiver.
10. **LinkedIn is for private sector/government contractor jobs and [USAJOBS](#) is for GS/Federal employment.** Get accounts for both if you are keeping your options open. Connecting with headhunters/HR managers in your fields of interest is a great way to get a daily flow of job opportunities in your LinkedIn feed.
11. **Soldier For Life Transition Assistance Program (SFL-TAP).** You don't have to wait until you are 12 months out to attend [TAP](#) (register at your base Soldier Support Center). Most of the classes are basic fundamentals and geared towards separating soldiers vice retiring senior NCOs and O5s/O6s (my opinion), but you can glean plenty of useful info and get an "azimuth check" on your retirement tasks. Additionally, some TAP programs are starting to pilot more executive focused classes. I found the VA Benefits class (day 5) to be the most beneficial portion of the TAP program. It is a 5 day course, so make sure you get your command to let you carve out time to attend.
12. **Your main effort during your retirement process is to get your medical affairs in order.** You have been beaten-up over time and may be entitled to some level of compensation. Start early on documenting your medical issues (minor and major) and start your VA physical/disability claim around 6 months-out if you want to get your disability rating soon after your retirement. You will begin your claim submission through an advocate like [DAV](#), [AMVETS](#), or [VFW](#). These organizations can help navigate your claim paperwork through the VA system. You can do this after you retire, but you have the time to do it now and you are still a first class citizen while you wear the uniform. About eight or nine months prior to your retirement date, you need to request a copy of all your medical records. Get both your outpatient and surgical records from Patient Records. They send them to you via certified mail and this takes about 30 days. You also need to go to your Radiology Clinic and request a copy of your X-Ray records. They do this on the spot and put them on a disc. Make at least 2 single-sided copies of everything and keep your original copy in a safe place.

Here is a chart I put together to help with planning:



While I incorporated as much of the big picture stuff that I could think of, there may be some things missing and many of the times are flexible and relative. Keep in mind that your retirement experience is going to differ according to your branch and where you are stationed for your retirement process.

Best of luck and it has been a pleasure serving with America's finest!

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