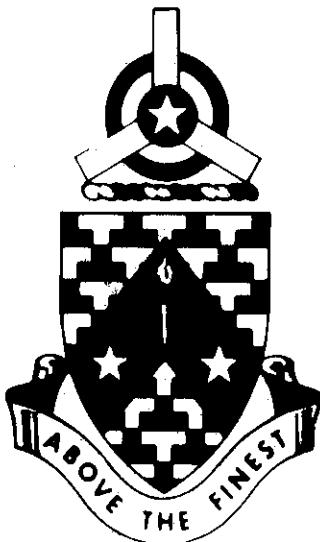


PROGRAMMED TEXT

MANAGEMENT OF PERSONAL FINANCES
PART IV
SURVIVOR'S BENEFITS AND LIFE INSURANCE



NOVEMBER 1967

UNITED STATES ARMY
PRIMARY HELICOPTER SCHOOL
FORT WOLTERS, TEXAS

PROGRAMMED TEXT

PROGRAM TEXT**FILE NO:****PROGRAM TITLE**

Management of Personal Finances
Part IV - Survivor's Benefits & Life Insurance

POI SCOPE: The basic points of survivor's benefits and life insurance, and a life insurance program that fits the Army aviator's needs.

INSTRUCTOR REFERENCES:

MF 61-9912
Principles of Insurance - Garrett
Best's Life Insurance Reports
Officers Guide,
DA CIR 608-12

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TABLE OF CONTENTS

PROGRAMED TEXT	PROGRAM TITLE:	
FILE NO:	Management of Personal Finances - IV Survivor's Benefits and Life Insurance	
	CONTENTS	PAGE NUMBER
1. PREFACE		iii
2. PERFORMANCE OBJECTIVES		1
3. PROGRAM		2
a.		
b.		
c.		
d.		
e.		
4. SELF EVALUATION EXERCISE		24
5. ANSWERS TO SELF EVALUATION EXERCISE		27
6. ITEMS TO BE ISSUED WITH PROGRAM		
7.		
8.		
9.		
10.		

PREFACE

This period of instruction is about Survivor's Benefits and Life Insurance. During this instruction you will receive information on what your dependents will receive if you become deceased. The advantages of making out a will and guidance on insurance for future needs of your dependents.

Start with frame 1 and work each frame in succession. Each frame will usually ask you a question. The correct answer is printed on the top of the next frame. If you were incorrect, turn back and restudy the information before continuing on to the next frame. When you have finished the text, complete the self evaluation exercise. Now begin by studying the performance objectives on page 1.

PERFORMANCE OBJECTIVES

MANAGEMENT OF PERSONAL FINANCES PART IV

Upon completion of this programed text, you will be able to:

1. Interpret Gratuity as applied to members of the Armed Forces and identify survivor benefits to dependents under the program.
2. Recognize the reasons for having a will and power of attorney.
3. Describe life insurance and select a life insurance program which fits the Army aviator's needs.

Telefax

WESTERN UNION

Telefax

WU 3 NL PD 30 OCT 67
FD ADJ USAPHC

TO MRS JOHN SMITH 222 BIRD ST
MINERAL WELLS TEXAS

IT IS WITH DEEP REGRET THAT I INFORM YOU
THAT YOUR HUSBAND WO1 JOHN SMITH DIED AT
ANKHE VIETNAM ON 28 OCT 1967 STOP

DEATH RESULTED OF HEAD INJURIES SUSTAINED
IN THE CRASH OF A UH-1D HELICOPTER STOP

Sympathy and condolences are not enough at this time of great personal loss and sacrifice. Recognizing these immediate problems, the Army will provide assistance in advising surviving dependents of their benefits.

This program will assist you in identifying the survivor benefits available to your dependents, and a brief look at additional assistance provided by insurance.

TURN TO FRAME 2 PAGE 4

ANS: c. \$2745.00 $(\$315 + \$100) \times (6) + \$255 = \$2745.$
b. \$ 362.00 DIC \$110
SS \$252
\$362.00

FRAME 12

1. A Death Gratuity benefit is a one time lump-sum to the next of kin, and is computed from base and incentive pay. It also provides which of the following?

- a. Immediate financial assistance.
- b. A maximum payment of \$5000.00.
- c. Burial in a National cemetery.

2. Which of the following best describes Dependency and Indemnity Compensation?

- a. Provides no benefit to surviving parents who have an income below \$2400.00 annually.
- b. Has no provision for children in the event of the widow's death or remarriage.
- c. A continuing monthly payment of \$120.00 plus 12% of the base pay goes to the unremarried widow.

3. Social Security benefits are also monthly payments to the next of kin, and are computed from the service members average monthly earnings. Which of the following is provided by Social Security benefits?

- a. An immediate lump-sum payment of \$255.00 to assist with burial expenses.
- b. Dependent medical care on an emergency basis only.
- c. Benefits to parents who are not dependent upon the deceased service member.

TURN TO FRAME 13 PAGE 5

DEATH GRATUITY:

A lump-sum payment made by Department of the Army to the next of kin of a service member who dies on active duty. Purpose of this benefit is to help survivors in their immediate readjustment.

Amount is determined by multiplying the basic pay plus the incentive (flight) pay per month of the deceased by six, up to a maximum of \$3,000.00.

Example

Death Gratuity = 6 X (Base + Incentive pay)
= 6 X (\$200.00 + \$100.00)

Lump-sum benefit = \$1,800.00.

1/LT Smith killed in Vietnam had the following monthly pay and allowances:

Base pay-----	\$500.00
Combat pay-----	65.00
Subsistence pay-----	47.00
Quarters allowance-----	120.00
Flight Pay-----	150.00

What death benefit will Mrs. Smith receive? 3000

65.00
3 X 4
3930.00

ANS: 1. a. Immediate financial assistance.
2. c. A continuing monthly payment.
3. a. An immediate lump-sum payment of \$255.00 to assist with burial expenses.

FRAME 13

SERVICEMEN'S GROUP LIFE INSURANCE (SGLI)

Automatically provides \$10,000 life insurance to all service members at a cost of \$2 per month. Provides free and unlimited choice of beneficiaries, with payments designated as a lump-sum or in equal monthly payments over a period of 36 months.

Servicemen leaving active service are covered at no cost up to 120 days after discharge. During this 120 day period, or just prior to discharge individuals may convert their SGLI to permanent civilian life insurance coverage at a slightly higher cost.

Renewal is available regardless of the discharged individual's health or physical condition; the renewed policy cannot contain war clauses.

Example:

Since his tour of duty in Vietnam, 2/LT SicCall has had frequent attacks of malaria. At discharge, or shortly after, LT SicCall will be able to convert his SGLI to the same amount of civilian insurance coverage. No physical examination will be required and his cost of insurance will be no higher than those in good health.

Which of the following would be a good reason for dropping out of the SGLI program?

1. High cost of coverage (\$2 a month).
2. Unlimited selection of beneficiaries.
3. Civilian renewal with no restrictions.
4. None of the above.

ANS: \$3,000.00

FRAME 3

DEPENDENCY AND INDEMNITY COMPENSATION:

Government benefits payable by the Veterans' Administration to the eligible survivors of service members who die on active duty. Provides some assistance in long-range financial security.

Eligible survivors: Unremarried widow and children under 18. Provided the widow doesn't remarry, she receives a monthly payment of \$120 plus 12% of the base pay for her lifetime. Income from other sources does not affect payment.

Example

$$\begin{aligned} \text{D.I.C. monthly payment} &= \$120 + 12\% \text{ (Base pay)} \\ &= \$120 + 12\% \times \$200 \end{aligned}$$

Monthly D.I.C. = \$144

Widow Jones, now Mrs. Smith, is employed as a secretary for Southern Airways. At the time of his death WO1 Jones had a base pay of \$300. Will she continue to receive his D.I.C. monthly payment? If so, how much? 156

~~36
120
156~~ ~~300
X.12
600
300~~ ~~4136~~
benefits if their combined income does not exceed
~~3680~~

Parents are eligible for benefits if their combined income does not exceed \$2400 annually. *3600*

ANS: 4. None of the above.

FRAME 14

INSURANCE:

Basically a risk-sharing undertaking, which makes it possible for people with moderate income to provide against the uncertainties of life. For the service member the problem is essentially one of providing protection for his dependents.

Insurance Needs

A program of this scope cannot even pretend to cover the specific insurance needs of all possible family situations. Judgment and decision to purchase civilian insurance should be that of the serviceman buying the insurance, not that of the agent who is selling it!

The following questions may assist the individual in depicting additional family insurance needs.

Wife and children, are they capable of self support?

Normal life expectancy and enjoyment of life after retirement? _____

What is the present worth of your family estate? _____

What is your present life insurance program? _____

To what extent do present survivor benefits and military insurance meet the total family needs? _____

What sort of insurance for the future can you afford today? _____

Which of the following best describes life insurance?

1. A convenient way of providing security for family needs now and in the future.
2. An agreement to provide future income for dependents in the event of the sponsor's death.
3. A business contract; whereby, in return for a fixed payment the insurer guarantees payment to the insured's beneficiaries in the event of his death.

ANS: No. Since Mrs. Smith (WO Jones' widow) has remarried, she is no longer eligible for Dependency and Indemnity Compensation.

FRAME 4

D.I.C. ELIGIBLE SURVIVORS (Continued)

A. Children (widow living).

- (1) Children 18 or over incapable of self support, widow receives additional \$77.00 a month.
- (2) Eighteen or over attending college. Child receives additional \$39.00 a month until age 21.

Widow Jones' 17 year old son was totally disabled in an auto accident. What would be widow Jones' D.I.C. monthly payment now? Husband's base pay at the time of death was \$300.00.

 \$195.00 ✓ \$156.00 \$233.00

B. Children (widow dead or remarried)

Children unmarried and under 18 share equally in the following monthly payments:

- 1 child ----- \$77.00
- 2 children ----- \$110.00
- 3 children ----- \$143.00 plus \$28.00 for each child in excess of three.

Exceptions:

- a. An unmarried child at college is paid until age 21.
- b. A child incapable of self-support receives an additional \$28.00 a month.

CPT Smith died leaving three children. His widow has since remarried and his youngest child, age 17, eloped with a Warrant Officer Candidate. What D.I.C. benefit will each Smith child receive? (Other children are already married.)

 \$77.00 ✓ NONE \$55.00

ANS: 3. A business contract; whereby, in return for a fixed payment the insurer guarantees payment to the insured's beneficiaries in the event of his death.

FRAME 15

SELECTING THE COMPANY

When deciding on the company from which to purchase life insurance there are three basic considerations:

1. Financial stability of the company.
2. Cost of policies issued.
3. Specific contents of policies offered.

Which of the following would be best qualified in offering further assistance to the interested aviator?

- 1. The Unit Commander.
- 2. Post Chaplain.
- 3. Staff Judge Advocate.
- 4. S1, Personnel Officer.

ANS: \$156 None

FRAME 5

DA FORM 41 - RECORD OF EMERGENCY DATA

As an Army aviator this is perhaps the most important form concerning you and your family!

1. Designator's last name, first name, middle name.
2. Service Number.
3. Branch and Component.
4. Date and place of birth.
5. Date, place and home of record at last entry on Active Duty.
6. Selective Service No., Local Board and Location.
7. Prior Service Data.
8. B. P. E. D.
9. Social Security Number
10. Religion.
11. Names and Addresses of:
 - a. Spouse
 - b. Father
 - c. Mother
 - d. Children
12. Non Notification Desires.

1.	2.
3.	4.
5.	
6.	
7.	8.
9.	10.
11. Non Notification Desires.	
12. <input type="checkbox"/> Yes <input type="checkbox"/> No	

DA FORM 41 REPLACES EDITION OF
1 OCT 64 1 JAN 64 WHICH WILL
BE USED. RECORD OF
EMERGENCY DATA
(AR 600-10)

13.	14.	15. Adult NOK to be notified not named in Item 11.
16.	17.	16. Beneficiary(ies) for gratuity pay if no surviving spouse or child. Indicate percent for each.
18.	19.	15. Beneficiary(ies) for unpaid pay and allowances including soldier's deposits. Indicate percent for each.
20.	21.	16. Person to receive allotment if Missing. Indicate percent.
22.	23.	17. Location of will.
24.	25.	18. Insurance data.
26.	27.	19. Remarks.
20. SIGNATURE OF DESIGNATOR		21. SIGNATURE OF WITNESS
22. DATE OF LATEST REVIEW		23. ORIGINAL (Card) - See AR 600-10, for distribution. DUPLICATE (Yellow paper) - file personnel records jacket.

This form is maintained in your Personnel Records. It is your responsibility to review it periodically to insure that the information is current and accurate.

What is the purpose of DA Form 41, Record of Emergency Data?

1. Shows location of the service member's last will and testament and insurance policy.
2. Provides for settlement of the member's military estate.
3. Gives information for prompt notification of his family.
4. All of the above.

ANS: 3. Staff Judge Advocate

FRAME 16

INSURANCE POLICIES

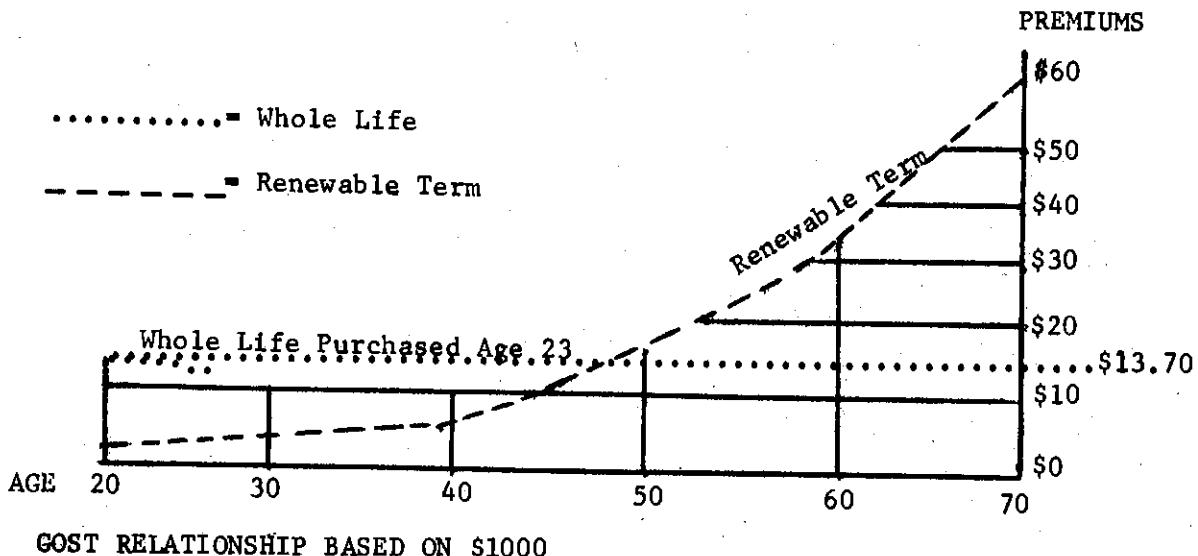
Usually there is one policy that is more nearly adapted to individual needs than any other. How much has to be paid in the form of a premium, and what the company promises in return should be taken into consideration. Many types of policies are sold. We will cover those most common to the service member.

Term Insurance

Meets the needs of an individual who desires maximum protection at minimum cost for a limited period (5, 10, or 20 years). Term provides no cash, loan, or investment value, and serves certain definite purposes which are related to temporary situations. Temporary low income, but large insurance need. Temporary need and temporary hazard. It is usually very difficult for the aviator to obtain term insurance at normal rates.

Ordinary Life

Sometimes called "whole life" or "straight life" whereby the insured agrees to pay a certain level premium as long as he lives in return for a guarantee that the policy will be paid to his beneficiary upon his death. Combines permanent insurance with investment through the guarantee of loan, cash, and paid up value.



Based upon the increased possibility of death after age 60, which of the policies, depicted on the graph, provides best protection at a minimum cost? _____

ANS: All of the above.

FRAME 6

WILLS

A will is simply a legal declaration of a person's mind (wishes) as to the manner in which he would have his property or estate disposed of after his death.

Wills properly written eliminate misunderstandings, hard feeling between heirs, waste of money for legal fees, and expedite the disposition of the estate.

Do you have a will? With the existing world situation shouldn't all military personnel have a will?

The individual wishing to make a will or in doubt whether he should make a will, should immediately consult a legal assistance officer or other competent legal counsel.

The passage of time and changing conditions make it advisable to review the contents of your will periodically.

Before completion of his advanced helicopter training Candidate Sharpe completed his will with the assistance of the Judge Advocate's office.

1. Where should Candidate Sharpe keep his completed will?

- a. His foot locker
- b. Mail it to his best friend.
- c. In a safe deposit box

2. Which of the following would require Candidate Sharpe to review his will?



- a. Marriage
- b. The birth of twins
- c. Divorce
- d. Death of the named beneficiary
- e. All the above

ANS: #14. WHOLE Life Purchased age 23.

FRAME 17

INSURANCE POLICIES (Continued)

Limited Payment Life

This is ordinary life insurance purchased by means of a limited number of larger premium installments; the policy becomes paid up at the end of a specified period.

Example:

A \$1000 twenty payment life policy purchased at age 23 would be paid up at age 43 and still provide insurance protection for the lifetime period.

Endowment Insurance

Provides same death benefit as term insurance but also provides for payment of the face value of the insurance if the insured survives to the end of the term period. Normally this policy is emphasized by the insurance agents because of the high commissions received.

Example:

A \$1000, 20 year endowment purchased at age 23 would pay \$1000 to the survivor at age 43. At this time he would no longer have insurance coverage.

Cost Comparison \$10,000 Policy - Age 23

TYPE	MONTHLY PREMIUM
Ordinary Life	\$16.70
20 Year Endowment	42.00

Which of these policies provides the young aviator with best family insurance coverage? _____

Referring to the above limited payment and endowment insurance policies, which type offers a method of forced savings? _____

ANS: 1. c. In a safe deposit box.
2. e. All of the above.

FRAME 7

POWER OF ATTORNEY

A Power of Attorney is a legal document designating any person you so desire with the legal power to sign your name in your absence.

Types of Power of Attorney:

Unlimited, contains no limitations as to its use or duration.

Limited or (special) may be restricted to certain business transactions or may expire after a certain time period.

Since receiving orders to Vietnam, 1/LT James has been trying unsuccessfully to sell his new automobile. LT James, a bachelor has decided to leave his father with a power of attorney so that he may sell the automobile while his son is in Vietnam.

1. What type of power of attorney would be more appropriate for 1/LT James to leave his father?

a. Unlimited
 b. Special

2. Select the best reasons for your answer.

a. This is a one time transaction.
b. His father requires this power of attorney to transact all of his son's business.
c. Both "a" and "b" above.

ANS: Ordinary Life

Endowment Insurance

FRAME 18

INSURANCE CONTRACT CLAUSES

War and Hostile Fire Clauses

Because of today's world situation most companies will include the above clauses. To the service member these clauses are of great significance. Therefore, great care should be taken in reading and understanding the insurance contract.

The new Military Officer desiring additional insurance with no restrictive clauses should consider the associations catering to service personnel only, such as: The Army Mutual Aid Association, Military Associates, Inc., Officers Benefit Association, The Armed Forces Relief and Benefit Association.

Example:

Average monthly premiums on \$10,000

Flying Officers _____ \$12.50
All others _____ 9.00

Other than the exclusion of war and hostile fire clauses what would be another advantage in seeking insurance from the service associations?

ANS: 1. b Special
2. a This is a one time transaction.

FRAME 8

SOCIAL SECURITY BENEFITS

Retirement and disability benefits are provided under this program. We are concerned, however, with survivor benefits.

After a service connected death, benefits are payable to surviving children under the age of 18, disabled children if disabled prior to age 18, and to the widow with such children in her care.

For the widow without children who does not remarry, benefits are paid when she reaches age 60.

Parents that are 50% dependent upon the deceased service member may receive payments at the age of 62.

Benefit payments may be withheld if earnings from work exceed \$1200 a year.

Example:

A widow with minor children would have a portion or all of her Social Security benefits withheld if she accepted employment paying \$1200 annually.

Under this program which of the following would not receive Mr. Smith's Social Security benefits?

1. N Mr. Smith's father, age 63, self-employed with a monthly income of \$150.
2. N Mr. Smith's brother and sister.
3. N His 22 year old son paralyzed two months ago in a football accident.
4. X Widow Smith, age 40, no children.
5. All of the above.

ANS: Lower average cost.

FRAME 19

AVIATION COVERAGE

Military aviators are not considered standard insurance risks. Younger and inexperienced pilots are regarded as especially poor risks; many companies will not insure student pilots at all.

Most major insurance companies will provide insurance to aviators with the "aviation extra" premiums being charged.

Example:

Extra premiums per year, per \$1000 insurance coverage

AGE	FLYING HOURS	EXTRA PREMIUM
24 or under	Less than 800	\$25.00
	800 or more	17.00
25 - 29	Less than 800	17.00
	800 or more	11.25
30 or over		5.75

What factors are normally taken into consideration in establishing extra aviation premiums?

The aviator should realize that flight pay is, in part, designed to meet the increased costs of adequate insurance coverage.

ANS: 5. All of the above.

FRAME 9

SOCIAL SECURITY (Continued)

Amount Payable

This amount is determined and paid by the Social Security Administration. Benefits are based on the average monthly earnings of the deceased military sponsor. Individual monthly earnings may be computed by referring to para 64, DA PAM 608-2.

EXAMPLES OF MONTHLY CASH PAYMENTS

AVERAGE MONTHLY EARNINGS	\$250.00	\$300.00	\$350.00	\$400.00	\$450.00	\$550.00
Widow 62 or over	83.90	92.80	120.50	112.20	120.50	138.60
One surviving child	76.30	84.30	93.20	102.00	109.50	126.00
Two surviving children	152.60	168.60	186.40	204.00	219.00	252.00
Maximum family payment	202.40	240.00	280.80	309.20	328.00	368.00

1/LT Jones was killed in an Army aircraft accident leaving four surviving sons. LT Jones' average monthly wage was \$450. What monthly cash benefit would each son receive?

\$82.00 \$109.00 \$219.00

**Lump-sum Payment

In addition to the monthly payments a maximum lump-sum of \$255 is provided the widow to aid with the burial expenses.

ANS: Age and Experience

FRAME 20

LIFE INSURANCE PROGRAM

Each service member should take a close look at his family needs and determine what is necessary to complete a family estate that will provide adequate protection for his dependents.

In establishing this family insurance program there are four steps used in determining how much additional insurance is necessary.

1. Decide upon the level of monthly income you desire to leave your survivors.
2. Compute the amount of government survivor benefits that would be available to your family if you died within the next five or ten years.
3. Determine how much life insurance is required to fill in the difference between the desired level of income and the survivor benefits available.
4. Review the entire process. The individual may find that he has chosen such a high level of income in step 1 that he has to purchase more life insurance than he can afford in step 3.

Example:

2/LT Jones in programming his family insurance needs prior to his overseas tour of duty came up with the following:

- Step #1. He decided that \$300 a month would be adequate in supporting his wife and daughter for a period of ten years.
- Step #2. Total monthly survivor benefits available three years after his death would equal \$268 a month. The first three years after his death would normally include assistance from Government lump-sum payments.
- Step #3. He determined that an additional \$3000 policy would provide the additional \$32 a month required to meet a ten year monthly payment of \$300 to his family.
- Step #4. He checked the cost of the additional coverage and found it reasonable for his present budget.

Which of the following would certainly require LT Jones to revise his family insurance program?

1. Promotion to 1/LT.
2. Another child.
3. Rising cost of living.
4. All of the above.

ANS: \$82.00 Maximum family payment with under four sons with a \$450.00 average monthly salary is $\$328 + 4 = \82 .

FRAME 10

OTHER SURVIVOR BENEFITS

A. Burial Rights and Benefits

In a service-connected death, if requested by the survivors, preburial preparation and burial functions will be provided by the Government through Veterans Administration.

Example:

Burial in a National or Post cemetery, to include a headstone or marker.

Which of the following would not be included under burial benefits.

1. Military honors when available.
2. ✓ Full time sentry at grave site.
3. A flag to drape the casket.

B. Continued Service Benefits and Privileges

Medical care, dental care on a limited basis, are provided for surviving dependents. The unmarried widow has Post Exchange and Commissary privileges.

Which of the following would be necessary for a dependent to obtain continued benefits?

1. A letter from the Post Chaplain.
2. ✓ Authorization from the Veterans Administration.
3. ✓ The dependent's identification card.
4. The deceased husband's I.D. card.

ANS: 2. Another Child

FRAME 21

Realizing the difficulty in obtaining insurance once he has received orders assigning him to Vietnam, WO-1 Peter Pilot has decided to program his family insurance needs now.

Mr. Pilot is married and has three children, the oldest boy is five years old. Considering the rising cost of living, and the possibility of his three children attending college, Mr. Pilot has determined that a monthly income of \$600 would be required to adequately provide for his family in the next twenty years.

In computing his needs Mr. Pilot has used an average monthly income of \$550, with over six years service.

Referring to the above situation and using the supplemental charts in the back of this text, answer the following questions:

1. Using Chart B and C, what is the gap (difference) between the desirable income and the survivor benefits available to Mr. Pilot's family?
a. \$113 b. \$189 c. \$67 d. \$73
2. Using Chart D, approximately how much insurance will Mr. Pilot require to fill his monthly income gap for twenty years?
a. \$5,000 b. \$14,000 c. \$10,000 d. \$20,000
3. In obtaining this additional insurance coverage which of the following policies would you recommend to Mr. Pilot?
a. 20 Year Endowment
b. 20 Payment Life
c. 10 Year Term
d. Ordinary Life

ANS: Full time sentry at grave site.

The dependent's identification card.

FRAME 11

Warrant Officer Hughes Copter, age 23, began his tour of duty in the Republic of Vietnam on 1 November 1967. Mr. Copter's wife died recently and his two daughters are now living with his 62 year old parents who have an annual income over \$7,000.

On January 15, 1968, Mrs. Copter received a Department of the Army telegram notifying her of the death of their son due to hostile fire while conducting an air scout mission.

At the time of his death WO1 Copter had under two years service with an average monthly income of \$550; a base pay of \$315, and \$100 flight pay.

~~475~~ ~~415~~
~~6~~ ~~12~~
~~2490~~ ~~0~~

Referring to the above situation and using only the information contained in supplemental charts A and B in the back of this text, select the one best answer for each of the following questions.

1. What is the total lump-sum payment, Death Gratuity plus Social Security, that will be received by WO Copter's family?

a. 2490 b. 3255 c. 2745 d. 2145

2. What total monthly payment (D.I.C. plus Social Security) will his children receive when his older daughter reaches the age of 17?

a. 252 b. 362 c. 390 d. 420

~~710~~ ~~28~~ ~~475~~
~~120~~ ~~12~~ ~~530~~
~~44~~ ~~420~~
~~244~~ ~~4880~~

RETURN TO PAGE 3 FOR FRAME 12.

MANAGEMENT OF PERSONAL FINANCES - IV
SELF EVALUATION EXERCISE

Match the following:

- a. Death Gratuity
- b. Dependency and Indemnity Compensation
- c. Social Security Benefits
- d. Other Benefits (Burial and Continued Privileges)

c 1. Based on the deceased service member's average monthly earnings, and also provides a maximum lump-sum payment of \$255 to assist burial expenses.

a 2. Immediate lump-sum payment computed from base and incentive pay with a maximum of \$3,000.

b 3. A monthly payment of \$120 plus 12% of the sponsor's base pay goes to the unremarried widow with children under 18. Also provides benefits to unmarried children if the widow is dead or remarried.

b 4. Provides for survivor dependent dental care on an emergency and space available basis only.

d 5. Provides for a headstone or marker in a National or Post cemetery.

Match the following pertaining to insurance:

- a. Whole Life
- b. Term Insurance
- c. 20 Year Endowment
- d. Limited Payment Life

d 6. Becomes paid up at the end of a limited period and provides life-time protection.

c 7. Normally emphasized by insurance agents because of the high commissions they receive.

a 8. Provides permanent insurance with investment through guaranteed loan cash, and paid up value.

b 9. Provides no cash, loan or investment value and provides protection for a temporary period only.

a 10. Normally recommended for the aviator to cover long range family needs with minimum monthly premiums.

Match the following:

- a. DA Form 41.
- b. Servicemen's Group Life Insurance (SGLI).
- c. Life Insurance.
- d. Aviation extra clause.

- b 11. Provides the Army aviator with free insurance coverage for a period of 120 days after discharge.
- a 12. Record of emergency data and should be reviewed periodically to insure accuracy.
- d 13. Will normally result in additional insurance cost for the student aviator.
- a b 14. Provides for unlimited selection of beneficiaries.
- c 15. A risk-sharing undertaking, which assists the service member in providing additional protection for his dependents.

INTENTIONALLY LEFT BLANK

KEY TO SELF EVALUATION EXERCISE
FINANCIAL BENEFITS & MANAGEMENT
PART IV - SURVIVOR'S BENEFITS & LIFE INSURANCE

1. c
2. a
3. b
4. d
5. d
6. d
7. c
8. a
9. b
10. a
11. b
12. a
13. d
14. a, b
15. c

CHART A
SURVIVOR BENEFITS FACT SHEET

PROGRAM	AMOUNT	TYPE PAYMENT	ELIGIBLE SURVIVORS
Six Month Death Gratuity	= 6 x(Base + Incentive Pay) Maximum \$3000	Lump Sum	Next of kin indicated on DA Form 41.
Dependency and Indemnity Compensation	= \$120.00 + 12% Base Pay To Widow only. Children under 18.	Monthly	<ol style="list-style-type: none"> 1. Parents, if income is below \$2400. 2. Children (widow living). 18 or over incapable of self-support receives an additional \$77.00. 18 or over attending college receives an additional \$39.00 until age 21. 3. Unmarried children under 18 (widow dead or remarries). 1 child---\$77.00. 2 children---\$110.00. 3 children---\$143.00 + \$28.00 for each additional child. If incapable of self-support each child receives an additional \$28.00.
Social Security	Based on Average Monthly Earnings of Deceased. * See Attached Chart covering Payments.	Monthly Also provides immediate lump-sum payment of \$255.00.	<ol style="list-style-type: none"> 1. Surviving children under age 18. 2. Disabled children for lifetime, if disabled prior to 18. 3. Widow with children in her care. 4. Unremarried widow without children, at age 60. 5. Parents 50% dependent, at age 62. <u>Exception.</u> With other income over \$1200 annually. Payments are partially or totally withheld.

CHART B

SOCIAL SECURITY MONTHLY CASH BENEFITS

Average Monthly Earnings = or less	\$70.00	\$150.00	\$250.00	\$300.00	\$350.00	\$400.00	\$450.00	\$550.00
Retirement at 65 Disability Benefits	\$ 44.00	\$ 78.20	\$101.70	\$112.40	\$124.20	\$135.90	\$146.00	\$168.00
Retirement at 64	41.10	73.00	95.00	105.00	116.00	126.90	136.30	156.80
Wife's Benefit at 65 or with Child in Her Care	22.00	39.10	50.90	56.20	62.10	68.00	73.00	84.00
Wife's Benefit at 64	20.20	35.90	46.70	51.60	57.00	62.40	67.00	77.00
One Child of Retired or Disabled Worker	22.00	39.10	50.90	56.20	62.10	68.00	73.00	84.00
Widow Age 62 or Over	44.00	64.60	83.90	92.80	102.50	112.20	120.50	138.60
Widow at 60, No Child	38.20	56.00	70.80	80.50	88.90	97.30	104.50	120.20
Widow Under 62 and 1 Child	66.00	117.40	152.60	168.60	186.40	204.00	219.00	252.00
Widow Under 62 and 2 Children	66.00	120.00	202.40	240.00	279.60	306.00	328.00	368.00
One Surviving Child	44.00	58.70	76.30	84.30	93.20	102.00	109.50	126.00
Two Surviving Children	66.00	117.40	152.60	168.60	186.40	204.00	219.00	252.00
Maximum Family Payment	66.00	120.00	202.40	240.00	280.80	309.20	328.00	368.00
Lump Sum Death Payment	132.00	234.60	255.00	255.00	255.00	255.00	255.00	255.00

CHART C
DEPENDENCY AND INDEMNITY COMPENSATION TO A WIDOW

PAY GRADE	UNDER 2	OVER 2	OVER 3	OVER 4	OVER 6	OVER 8	OVER 10	OVER 12	OVER 14	OVER 16	OVER 18
O-4	\$181.00	\$181.00	\$184.00	\$184.00	\$184.00	\$187.00	\$191.00	\$192.00	\$194.00	\$196.00	\$200.00
O-3	172.00	172.00	175.00	177.00	181.00	183.00	185.00	187.00	189.00	191.00	192.00
O-2	164.00	165.00	173.00	173.00	175.00	176.00	178.00	180.00	182.00	182.00	182.00
O-1	159.00	161.00	168.00	168.00	170.00	172.00	174.00	176.00	177.00	177.00	177.00
W-4	172.00	175.00	175.00	175.00	177.00	179.00	181.00	183.00	187.00	189.00	191.00
W-3	169.00	171.00	171.00	171.00	172.00	173.00	174.00	176.00	177.00	178.00	181.00
W-2	164.00	166.00	166.00	166.00	167.00	169.00	171.00	173.00	174.00	175.00	177.00
W-1	159.00	163.00	163.00	163.00	165.00	167.00	168.00	169.00	170.00	171.00	173.00
E-7	157.00	159.00	159.00	160.00	161.00	163.00	164.00	165.00	166.00	167.00	169.00
E-6	154.00	155.00	156.00	156.00	158.00	159.00	161.00	162.00	162.00	163.00	165.00
E-5	150.00	152.00	152.00	154.00	155.00	157.00	158.00	159.00	160.00	161.00	162.00

NOTE: Above figures should be used for example problems only.
In determining his own family benefits, the aviator
should make his own computations.

CHART D
MONTHLY INSURANCE INCOME

Based on \$1000 Policy.

NUMBER OF YEARS	MONTHLY INCOME	NUMBER OF YEARS	MONTHLY INCOME
1	\$84.09	16	\$6.07
2	42.46	17	5.77
3	28.59	18	5.50
4	21.65	19	5.26
5	17.49	20	5.04
6	14.72	21	4.85
7	12.74	22	4.67
8	11.25	23	4.51
9	10.10	24	4.36
10	9.18	25	4.22
11	8.42	26	4.10
12	7.80	27	3.98
13	7.26	28	3.87
14	6.81	29	3.77
15	6.42	30	3.68

NOTE: Above monthly payments are provided to the beneficiary upon the death of the insured. Figures should be used for training purposes only.

L2454 Army-Ft. Sill, Okla.