



Action Plan:

REVIEW YOUR LEAVE AND EARNINGS STATEMENT

WHAT YOU'LL NEED:

- Leave and Earnings Statement (LES)

DIFFICULTY: **EASY**

Reviewing your Leave and Earnings Statement (LES) every month will help you spot and quickly resolve errors that could cost you – either time or money – later. Your LES provides detailed information about your pay and benefits, shows how much leave you have accrued and have taken, and shows how much is deducted for taxes, insurance and savings before you receive your take-home pay. The better you understand your LES, the better able you are to ensure you get the pay that's coming to you and that your information is up to date.

THIS ACTION PLAN REQUIRES SIX STEPS:

- 1 Check your personal information for errors.** Check the spelling of your name and make sure your Social Security Number (SSN) is correct. If either of these are wrong, be sure to correct them immediately or you may have bigger problems later, especially at tax time. Also double-check that the proper pay grade is displayed as well as your years in service. All of these items are located on the top row of your LES, labeled "ID." Next, scan the "Pay Data," about mid-way through the form. If you've recently moved and receive the Variable Housing Allowance (VHA), you'll want to check the "VHA ZIP" box to make sure it's current. And verify the correct number of dependents is listed in the box marked "DEPNs." If either of these is incorrect, you may not be receiving the correct amount for VHA.
- 2 Make sure you're being paid the right amount.** Next, check the "Entitlements" column. This is all of the pay coming in – including your base pay, your housing and meal allowance (BAH and BAS) and any specialty bonuses. It may also include special additions if you're deployed, such as hardship duty pay (HDP) and family separation allowance (FSA). Make sure you're getting paid the correct amount, especially if you are deployed or recently returned from deployment. An extra month or two of special-duty pay is not a windfall. Overpayments will likely be discovered eventually, and you will be required to reimburse the government. You can find information on current pay and allowances on the DoD's Military Compensation website, <http://militarypay.defense.gov/Pay>.

FOR MORE INFORMATION

The Defense Finance and Accounting Service (DFAS) provides a detailed explanation of the LES. For more information, visit <http://www.dfas.mil>.

If you spot an error on your LES, or have questions, contact your installation's finance office as soon as possible.

3 Are allotments and deductions up to date? This is the money that is coming out of your paycheck. Some of it is required, such as federal, state, Social Security and Medicare taxes. But some is for benefits that you choose, such as premiums for Servicemembers' Group Life Insurance (SGLI) or contributions to your Thrift Savings Plan (TSP). Allotments include money you have the payroll office send from your account, such as deposits to a savings account, loan payments or contributions to the combined federal campaign. Verify the amounts are current.

The "Summary" column lists your total amount of pay and subtracts deductions to show your take-home pay, making it clear how much you're taking home each pay period.

4 Check your tax information and withholding. If you've recently changed your tax status, verify that that your marital status and the number of exemptions you've claimed for the current tax year are up to date. You will find these in the boxes marked "M/S" and "EX" on the FICA TAXES row of your LES.

If you receive large tax refunds year after year, you may be withholding too much from your paycheck and giving Uncle Sam an interest-free loan. Why not put that extra money back in your paycheck? You should also re-evaluate your withholding if you have recently married or divorced, added a dependent, purchased a home or received a promotion. Use the IRS Withholding Calculator (<http://www.irs.gov>) to see if you're withholding the right amount.

5 Check your leave balance. Who doesn't enjoy a little time off? Make sure the leave you've earned is properly counted. Active duty military members receive 2.5 days of leave per month, or 30 days per year. Typically, you can only carry forward 60 days per year. That means you risk losing excess days if you don't take them by year-end. Check the "Ernd," "Used," and "Use/Lose" boxes in the Leave row of your LES that track these amounts.

6 Review retirement savings. The LES contains a special row to help you track your contributions to your TSP. It shows the percentage of your base, specialty, incentive and bonus pay you've elected to contribute, as well as your year-to-date total contribution. Check these boxes to make sure the amount you're saving is meeting your retirement savings goal.