VETERANS UPWARD BOUND FINANCIAL READINESS COURSE

Module 5 Practical Scenarios

Instructor-ready cases for helping students apply legacy planning to the Survivor Benefit Plan (SBP), survivor income, beneficiary forms, end-of-life care, cognitive decline, VA burial planning, and first steps after death.

Designed for:
Discussion, small groups, board work, and instructor examples.

Use after:
The Survivor Benefit Plan (SBP), Dependency & Indemnity Compensation (DIC), estate documents, beneficiary, and protection slides.

Includes:
8 practical scenarios with prompts, analysis, and an answer key.

Boundary:
Education only. Do not give personal tax, investment, legal, medical, or benefits advice.

Prepared for Spring 2026 delivery. Verify VA, DFAS, SSA, Medicare, state law, and local legal requirements before future cohorts.

How to Teach These Scenarios

Recommended method: Assign each table one case. Ask students to identify who has authority, which benefit or account controls the outcome, what the family needs to know, and the safest next step. Then compare answers as a class.

Instructor Question	What You Want Students to Notice
Who can act?	Executor, trustee, durable financial POA, health care agent, beneficiary, surviving spouse, VSO, or court-appointed representative.
What controls the money?	SBP election, DIC eligibility, beneficiary designation, POD/TOD title, trust, will, pension survivor election, or state probate law.
What controls the care decision?	Healthcare power of attorney, advance directive / living will, state surrogate law, doctor orders, and the student's communicated values.
What should the family verify before acting?	Current documents, agency rules, account titles, beneficiary confirmations, state law, medical guidance, and professional advice.

Scenario Set

Scenario 1 Finances Are Set, Family Is Not

Situation: Mr. Daniels has a paid-off home, steady military retired pay, VA disability compensation, savings, and no major debt. His spouse says, "I know we're okay, but I don't know where anything is or who to call if something happens."

SYSTEMS INVOLVED

- Account access and family instructions
- Will, POA, advance directive, and beneficiary forms
- DFAS, VA, SSA, insurers, bank, and retirement custodians

TEACHING TAKEAWAY

Having enough money does not mean the family is prepared. The missing piece is a clear operating manual.

Board prompt: "What should be in the family binder before the next birthday or holiday?"

Scenario 2 Survivor Benefit Plan + DIC After 2023

Situation: A retired veteran elected SBP and has several service-connected conditions. His spouse heard from a friend that VA DIC will cancel out SBP, so she thinks SBP "doesn't matter."

SYSTEMS INVOLVED

- DFAS SBP annuity
- VA Dependency and Indemnity Compensation
- Cause-of-death and service-connection evidence

TEACHING TAKEAWAY

The SBP-DIC offset was fully eliminated as of January 1, 2023. Eligible spouses can receive full SBP and full DIC.

Board prompt: "Who should verify eligibility and what records would help the survivor?"

Scenario 3 Declined the Survivor Benefit Plan Years Ago

Situation: SFC Moore declined SBP at retirement because money was tight. He is now remarried and wants to know whether he can "just add SBP now" to protect his spouse.

SYSTEMS INVOLVED

- SBP election rules and rare open seasons
- Life insurance underwriting
- Self-insurance through savings and investments

TEACHING TAKEAWAY

There is no automatic do-over. Future open seasons require congressional authorization, and alternatives do not perfectly replace SBP.

Board prompt: "What should he compare before assuming life insurance or savings can replace an inflation-indexed lifetime annuity?"

Scenario 4 Outdated Beneficiary After Remarriage

Situation: Mr. Allen remarried five years ago. His will names his current spouse, but his old TSP and VGLI beneficiary confirmations still list his former spouse.

SYSTEMS INVOLVED

- TSP beneficiary designation and order of precedence
- Life insurance beneficiary forms
- Divorce decree or court order language

TEACHING TAKEAWAY

Beneficiary designations can override the will. A current estate document does not fix an outdated account beneficiary.

Board prompt: "Which documents should he update and which professional should review the divorce-related issue?"

Scenario 5 Cognitive Decline Warning Signs

Situation: Ms. Brooks has missed bills, made several unusual withdrawals, and started relying on a neighbor to "handle paperwork." Her daughter wants to help but has no legal authority.

SYSTEMS INVOLVED

- Durable financial power of attorney
- Trusted contact and bank/brokerage alerts
- Medical evaluation, APS, VA fiduciary if needed

TEACHING TAKEAWAY

The time to name trusted people is before capacity is in question. Delay can push the family toward court involvement.

Board prompt: "What protective steps can preserve dignity without handing someone unlimited control?"

Scenario 6 The First 30 Days After Death

Situation: A surviving spouse has the death certificate but does not know who to call first. Bills are arriving, a debt collector called, and several bank accounts were used for autopay.

SYSTEMS INVOLVED

- Funeral home, death certificates, and burial planning
- DFAS, VA/VSO, SSA, pension providers, insurers
- Executor, attorney, tax preparer, and financial advisor

TEACHING TAKEAWAY

The survivor needs a calm checklist and should not rush to pay unknown claims before getting guidance.

Board prompt: "What calls are urgent, and what can wait until the executor or advisor has reviewed it?"

Scenario 7 Healthcare Agent Under Pressure

Situation: Adult children disagree about whether their father would want a ventilator and feeding tube after a severe stroke. He talked about "not being kept alive like that," but never completed an advance directive.

SYSTEMS INVOLVED

- Healthcare power of attorney / health care agent
- Advance directive or living will
- Doctor, hospital ethics support, state surrogate law

TEACHING TAKEAWAY

End-of-life planning is not only about money. Clear care wishes can prevent family conflict when emotions are high.

Board prompt: "What care preferences should be discussed before a crisis: CPR, ventilator, feeding tube, dialysis, hospice, comfort care, and spiritual needs?"

Scenario 8 VA Burial Pre-Need

Situation: A veteran wants burial in a VA national cemetery but assumes the family will "figure it out." No one knows where his DD214 is, which cemetery he prefers, or whether he has applied for a pre-need decision.

SYSTEMS INVOLVED

- VA national cemetery pre-need eligibility
- DD214 and supporting documents
- Funeral home, VA scheduling office, and family wishes

TEACHING TAKEAWAY

Pre-need planning reduces the paperwork burden on the family and makes the veteran's burial wishes easier to honor.

Board prompt: "What should be written down now so the family is not guessing at the time of need?"

Answer Key: Instructor Guidance

Use these answers to guide discussion, not to grade personal choices. A strong student answer identifies the controlling document or benefit, names a practical next step, and avoids giving legal, medical, tax, investment, or benefits advice.

Scenario 1: Finances Are Set, Family Is Not

Expected answer: The missing items are access, authority, and instructions: document locator, account list, beneficiary confirmations, durable financial POA, healthcare POA, advance directive, will/trust, password process, and family meeting.

Instructor notes: Stress that a "good net worth" does not help a spouse who cannot locate accounts, claim benefits, or pay bills during grief.

Scenario 2: Survivor Benefit Plan + DIC After 2023

Expected answer: The SBP-DIC offset has been fully eliminated. If the spouse is eligible for DIC and SBP was elected, the spouse may receive full SBP from DFAS and full DIC from VA. Verify with DFAS, VA, and a VSO.

Instructor notes: Correct outdated language gently because many veterans were taught the old rule for years.

Scenario 3: Declined the Survivor Benefit Plan Years Ago

Expected answer: He cannot assume SBP can be added now. He should check whether any current open season exists, then compare private life insurance, self-insurance, survivor Social Security, pension options, and the spouse's expected income using the Survivor Income Map.

Instructor notes: Do not promise future open seasons. They require congressional authorization and may include premiums or buy-in costs.

Scenario 4: Outdated Beneficiary After Remarriage

Expected answer: He should update TSP, VGLI or other life insurance, IRA/401(k), bank POD/TOD, and other beneficiary records. A will does not necessarily override beneficiary forms. A qualified attorney should review divorce decree or court order requirements.

Instructor notes: This is the key "beneficiary forms override the will" case.

Scenario 5: Cognitive Decline Warning Signs

Expected answer: The family should seek medical evaluation, review whether a durable POA already exists, add or verify trusted contacts, set alerts and spending controls, consult an attorney if capacity is uncertain, and contact APS or VA fiduciary channels if exploitation is suspected.

Instructor notes: Balance protection with dignity. Avoid naming someone as agent solely because they are nearby.

Scenario 6: The First 30 Days After Death

Expected answer: Order certified death certificates, work with the funeral home, notify DFAS, VA/VSO, SSA, life insurers, pension providers, banks, and retirement custodians, and contact the executor, attorney, tax preparer, and financial advisor. Do not rush unknown bills without guidance.

Instructor notes: The survivor needs a sequence, not a lecture. Encourage a written first-week checklist.

Scenario 7: Healthcare Agent Under Pressure

Expected answer: A healthcare POA and advance directive / living will should be completed before a crisis. The student should discuss values and specific treatments such as CPR, ventilator, feeding tube, dialysis, antibiotics, hospice, and comfort care with the chosen agent.

Instructor notes: VA Form 10-0137 can document a health care agent and living will preferences for VA care, but students should also verify state-specific requirements.

Scenario 8: VA Burial Pre-Need

Expected answer: He should gather DD214 or service records, consider VA Form 40-10007 pre-need eligibility, write down cemetery and funeral preferences, tell family where the pre-need letter is stored, and list the National Cemetery Scheduling Office or funeral home contact.

Instructor notes: Pre-need eligibility does not force the family to use a VA cemetery, but it reduces uncertainty at the time of need.

Source Notes for Instructor

Accuracy note: Federal and state rules change. Verify current rules before future cohorts, especially DIC rates, SBP open seasons, VA burial procedures, Medicare hospice guidance, and state estate-document execution requirements.

- DFAS: SBP-DIC offset elimination effective January 1, 2023; Survivor Benefit Plan and paid-up status guidance.
- VA: 2026 DIC surviving spouse rates; VA Form 10-0137 Advance Directive; VA Form 40-10007 pre-need burial eligibility guidance.
- Medicare: Hospice care coverage under Medicare Part A when eligibility requirements are met.
- FINRA / SEC / NASAA: Trusted contact guidance and senior investor protection resources.
- OPM / TSP: Beneficiary order-of-precedence and beneficiary designation guidance.