

FIELD MANUAL • TRANSITION ANCHOR SERIES

The First 90 Days Civilian Compensation Playbook

A decision guide for retiring senior military leaders.

PREPARED FOR

Senior officers (O-5, O-6), senior NCOs (E-7 to E-9), and senior warrant officers (CW3 to CW5), 24 months pre-retirement to 36 months post-retirement.

From Complexity to Clarity

OPERATIONAL WEALTH
STEWARDSHIPSM



BOTTOM LINE UP FRONT

What this playbook is

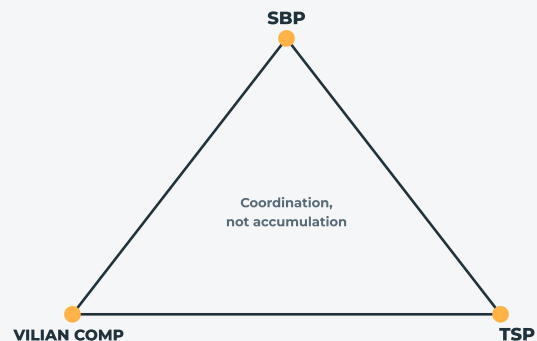
This playbook is an educational decision aid for the first civilian compensation package after military retirement. It does not provide personalized investment, tax, legal, benefits, or employment advice.

The goal is to help a retiring senior officer, senior NCO, or senior warrant officer slow the compensation review down enough to see the full picture:

- ◆ Military pension and VA disability income
- ◆ Civilian salary and bonus timing
- ◆ 401(k), HSA, ESPP, deferred-compensation, and equity-compensation features
- ◆ Health, disability, and life insurance elections
- ◆ TSP decisions that may still be open
- ◆ Withholding choices during a year with several income sources

The Decision TriangleSM

The Decision TriangleSM places SBP, TSP, and civilian compensation on one page before any single item is treated as separate. The first-90-days work is about sequence across the household, not maximizing one form in isolation.





THE SEQUENCE

The first-90-days frame

Most offer letters show compensation as a list. A transition household needs a sequence.

1**Before accepting or starting**

- ◆ Obtain the offer letter and benefits guide
- ◆ Ask when the 401(k), HSA, ESPP, deferred-comp, and equity plans become available
- ◆ Identify salary, bonus, relocation, severance, non-compete, and equity terms that need attorney or tax review
- ◆ Note whether benefit elections must be made before the first paycheck
- ◆ Confirm whether the employer plan accepts rollovers, if a TSP or IRA question exists

2**During onboarding**

- ◆ Set a temporary cash-flow map for pension, VA disability, salary, and bonus timing
- ◆ Review federal withholding with current IRS tools after the first paycheck or pension payment
- ◆ Identify whether an HSA-eligible plan fits the household
- ◆ Map equity vesting, option exercise windows, ESPP purchase dates, and trading-window rules
- ◆ Document beneficiary designations across TSP, employer plan, life insurance, and other accounts

3**During the first quarter**

- ◆ Revisit contribution elections after real payroll data arrives
- ◆ Review whether TSP decisions should wait for clearer civilian-plan details
- ◆ Decide which items need a CPA, attorney, or benefits specialist
- ◆ Confirm liquid reserves before using bonus, equity, or taxable assets for long-term planning
- ◆ Build a transition-year tax calendar

COMMAND DECISION

Separate the decisions with fixed deadlines from the decisions that improve once real payroll and pension data exist. Speed on the wrong item is not progress.



SEE THE WHOLE PACKAGE

The civilian compensation stack

A civilian offer is rarely one number. It is a stack of components that interact with one another and with your military picture.

CASH

Base salary

Offer letter and payroll calendar

CASH

Bonus / sign-on

Amount and payment date

RETIREMENT

401(k)

Match, vesting, Roth, fees

RETIREMENT

HSA

Eligibility and employer contribution

EQUITY

ESPP

Discount, lookback, cadence

EQUITY

RSUs

Vesting and withholding

EQUITY

Stock options

Grant type, exercise, expiration

DEFERRED

Deferred comp

Election deadline and credit risk

PROTECTION

Insurance

Life, disability, health

PLANNING INTEL

Each component carries its own timing, tax, liquidity, and concentration questions. Reviewing them together, rather than one form at a time, is what turns a stack of paperwork into a coordinated decision set.



401(k)

The 401(k) decision is not just the percentage on the payroll screen. It interacts with TSP, cash reserves, bonus timing, tax withholding, and retirement-plan limits.

WATCH ITEM • VERIFY AT PUBLICATION

For 2026, IRS guidance states that the employee contribution limit for 401(k), 403(b), governmental 457 plans, and the federal government's TSP is \$24,500. The general catch-up limit for participants age 50 and older is \$8,000, and a higher catch-up limit applies for ages 60 through 63 under SECURE 2.0. These figures must be rechecked at publication.

HSA

An HSA may be available only when the health plan qualifies as a high deductible health plan and other eligibility rules are met.

WATCH ITEM • VERIFY AT PUBLICATION

For 2026, IRS Revenue Procedure 2025-19 lists HSA contribution limits of \$4,400 for self-only coverage and \$8,750 for family coverage. It also defines the 2026 high deductible health plan deductible and out-of-pocket thresholds. Eligibility and household fit require individual review.



ESPP

An employee stock purchase plan can add employer-stock exposure at regular purchase intervals. The practical questions are:

- ◆ What is the purchase cadence?
- ◆ Is there a discount or lookback feature?
- ◆ What happens if employment changes before a purchase date?
- ◆ How much employer-stock concentration would the household hold after purchase?
- ◆ How will taxes, liquidity, and trading windows be handled?

RSUs and options

RSUs, restricted stock, incentive stock options, and nonqualified stock options are not interchangeable. Each has different vesting, tax, liquidity, and concentration considerations.

PLANNING INTEL

Investor.gov describes employee stock option plans as arrangements that can give employees the right to buy company stock at a set price after a certain period. Company plan documents, award agreements, and tax advice matter before an exercise or sale decision.

Deferred compensation

Can change the timing of income and taxes. May involve employer credit risk, distribution elections, forfeiture conditions, and restrictions not obvious from the headline offer. Review with qualified tax and legal professionals before election deadlines.

Withholding

The first civilian year can mix pension, VA disability, salary, bonus, equity income, and distributions. The IRS describes federal income tax as pay-as-you-go and recommends checking withholding when income changes. The IRS estimator helps after real withholding exists, but is not a substitute for tax advice.



WORKING PAGE

Decision worksheet

Use this as a working page before any election. Blank lines are expected; they mark what to clarify next.

QUESTION	NOTES
Retirement date or projected retirement date	<div></div> <div></div>
Civilian start date	<div></div> <div></div>
Base salary and first-paycheck date	<div></div> <div></div>
Bonus, relocation, severance, or sign-on terms	<div></div> <div></div>
401(k) eligibility date, match formula, Roth option, and rollover policy	<div></div> <div></div>
HSA eligibility, employer contribution, and health-plan tradeoffs	<div></div> <div></div>
ESPP purchase dates, discount, and concentration exposure	<div></div> <div></div>
RSU vesting schedule and tax-withholding method	<div></div> <div></div>



WORKING PAGE • CONTINUED

Decision worksheet

QUESTION	NOTES
Option grant type, exercise window, expiration, and tax review need	<hr/> <hr/>
Deferred-compensation eligibility and election deadline	<hr/> <hr/>
Life, disability, and health coverage elections	<hr/> <hr/>
TSP, IRA, or employer-plan coordination questions	<hr/> <hr/>
Federal withholding action after first paycheck or pension payment	<hr/> <hr/>
Items for CPA review	<hr/> <hr/>
Items for attorney review	<hr/> <hr/>
Next planning decision	<hr/> <hr/>

PROFESSIONAL REVIEW ROUTING

Route legal terms to an attorney, tax questions to a qualified tax professional, benefit-plan mechanics to a benefits specialist, and household coordination to a fiduciary planner. Most first-quarter decisions touch more than one of these.



ILLUSTRATIVE SCENARIO

Fictional example: Officer Bravo

DISCLOSURE

The following example is fictional. It is not an actual or typical result, not a recommendation, and not based on any client or prospect of Exponential Advisors LLC.

Officer Bravo is an O-6 inside the retirement-transition window, with a TSP account, a pending SBP conversation, pension income starting soon, and a civilian offer that includes base salary, annual bonus eligibility, RSUs, a 401(k), and an HSA-eligible health plan.

Scenario A • Decide quickly

Officer Bravo accepts the offer and selects benefits quickly because the salary number looks clear. Later, the household realizes the RSU vesting calendar, first-year bonus withholding, 401(k) contribution limit, and TSP rollover question all interact.

Scenario B • Map first

Officer Bravo maps the civilian package before elections are made. The household identifies which decisions are urgent, which can wait for real payroll data, and which require tax or legal review. The final choices depend on the plan documents, household cash flow, and professional advice.

THE POINT

The point is not that Scenario B produces a specific result. The point is that the compensation package becomes a coordinated decision set rather than a stack of isolated forms.

NEXT STEP

Start Your Financial Mission

If this playbook surfaced questions you want to review under a fiduciary planning process, the next step is a Tactical Financial AssessmentSM: a structured planning conversation.

Book a Tactical Financial AssessmentSM

calendly.com/josh-exponentialadvisors/tactical-financial-assessment

WHAT THE CALL IS, AND IS NOT

A Tactical Financial AssessmentSM is an introductory planning conversation. It is not a recommendation to accept an offer, change benefits, exercise options, sell employer stock, change TSP structure, or make a tax election. Personalized recommendations are made only after the advisory relationship, scope, facts, and required analysis support them.



SOURCE CHECKS

Where these facts come from

Factual statements about 2026 contribution figures, equity compensation, and withholding are drawn from the official sources below. Checked 2026-06-04. Publication-date recheck required before any external use.

- ◆ IRS, "401(k) limit increases to \$24,500 for 2026, IRA limit increases to \$7,500"
<https://www.irs.gov/newsroom/401k-limit-increases-to-24500-for-2026-ira-limit-increases-to-7500>
- ◆ IRS Internal Revenue Bulletin 2025-21, Rev. Proc. 2025-19, 2026 HSA inflation adjusted amounts
https://www.irs.gov/irb/2025-21_IRB
- ◆ IRS, "Tax withholding for individuals"
<https://www.irs.gov/individuals/employees/tax-withholding>
- ◆ Investor.gov, "Employee Stock Option Plans"
<https://www.investor.gov/introduction-investing/investing-basics/glossary/employee-stock-option-plans>
- ◆ Investor.gov, "Restricted Stock Units (RSUs)"
<https://www.investor.gov/introduction-investing/investing-basics/glossary/restricted-stock-units-rsus>

WATCH ITEM

Contribution limits, thresholds, and benefit rules change. Verify current figures against the primary source at the time of publication and before any decision.



IMPORTANT DISCLOSURES

Disclosures

This material is provided for educational and informational purposes only. It does not constitute personalized financial, investment, tax, legal, benefits, employment, or insurance advice, and it is not a recommendation to accept an employment offer, elect a benefit, exercise an option, sell employer stock, change a retirement-plan election, or make any tax election.

MILITARY BENEFITS

Military benefits, including the Survivor Benefit Plan (SBP), the Thrift Savings Plan (TSP), VA disability compensation, VA Dependency and Indemnity Compensation (DIC), and related programs, are governed by federal law and regulations that change periodically. Eligibility, premium rates, paid-up provisions, and benefit amounts are determined by the applicable federal agency. Consult the Department of Veterans Affairs, the Defense Finance and Accounting Service (DFAS), or a certified veterans service organization for benefits-specific questions.

TAX AND LEGAL

Statements regarding the tax treatment of compensation, retirement-plan contributions, HSAs, equity compensation, deferred compensation, SBP premiums, survivor annuity income, and life insurance proceeds are general in nature, may not apply to your circumstances, and may change with federal law. Exponential Advisors LLC does not provide tax or legal advice. Consult a qualified tax professional or attorney regarding your specific situation.

MILITARY REFERENCES

References to military service, rank, and the U.S. Army Reserve Chaplain Corps are provided for biographical purposes only. The U.S. Department of Defense, the Department of the Army, and the U.S. Army Reserve do not endorse, sponsor, or have any affiliation with Exponential Advisors LLC or its services.

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