

# Difficult in Training – Easy in Banking

## The Soldiers' Guide to Smart Financial Behavior

### Managing your army salary smartly

Regarding wise financial conduct and economic support during your military service

#### Military Salary – Economic Independence

We have gathered here information and tips that will help you to properly conduct yourselves economically, enjoy benefits and discounts during your military service and, at the end of which, to easily integrate into civilian life.

How much are you due?

As of January 2022, soldiers' salaries are anywhere between NIS 1,200 if you are rear echelon soldiers and NIS 2,500 if you are combat soldiers (and about NIS 3,000 in the third year). The military salary is supposed to last you for the entire month, so knowing how to conduct your finances accordingly is worthwhile.

#### Managing a Bank Account:

The moment you open a bank account, you manage most of your financial activity in it. In this account, you receive a salary and from this account you pay for various services (therefore it is called a – current account...). You may perform various transactions in your bank account – For instance, deposit funds to a savings account, convert shekels to foreign currency and transfer money abroad.

To save on time and costs, you can perform most transactions digitally – at ATMs, on the websites and applications of the various banks.

#### The Objective – To Keep Your Account in the Black

Here are 3 important operations that can help you maintain a positive balance in your bank account:

##### Monitor your incomes and expenses in the account

When you regularly monitor the incomes and expenses in the account, there are no unpleasant surprises. You can download a budget management application on your smartphone, manage a list in a ledger or log, manage an excel sheet, or in any other way that can help of track your incomes and expenses. The recording of any expense, from the purchase of coffee in the cafeteria to buying clothing, will organize your expenses and will also enable you to find expenses you can dispense with.

## Comparing Prices

A positive, beneficial habit at any stage in life, but particularly if you have a limited budget. Is there a certain product you wish to purchase? In most cases you can find it at a cheaper price in another store. You can also check the option of online purchasing. Many chains offer their products at cheaper prices online.

## Reduce Expenses

Even if you serve at a closed base, it is important to remember that even purchases at the cafeteria can accrue to hundreds of shekels at the end of the month. That doesn't mean you should completely give up on perks, but you can consider giving up on one product that you regularly buy. For example: By making coffee in the office rather than buying coffee in the cafeteria, you can save scores of shekels every week.

## How do you pay?

You have a variety of payment options at your disposal, each with its own advantages and disadvantages. After you become familiar with the various options and the difference between them, you can decide which of them is suitable for you.

Attached hereto are the main options:

<b>Cash</b>	<ul style="list-style-type: none"><li>• You feel each expense with it</li><li>• Allows for control over expenses</li></ul>	<b>But</b>	<ul style="list-style-type: none"><li>• You need to ensure there is an ATM in the area</li><li>• May entail a fee</li></ul>
<b>Credit Card</b>	<ul style="list-style-type: none"><li>• May be spread out in installments if you made a large purchase (may entail interest payments)</li><li>• May be opened or closed for use overseas</li><li>• The charge is made once a month vis-à-vis the bank</li><li>• You can schedule the monthly charge date on the day your salary comes in</li><li>• Allows you to more easily track the expenses and incomes</li></ul>	<b>But</b>	<ul style="list-style-type: none"><li>• You feel the expenses less</li><li>• Purchases may be made up to the limit of the credit card</li><li>• There are cases in which the issuing or maintaining of a card entails a payment – a MasterCard Soldier Card grants an exemption from card fees for 3 years</li></ul>
<b>Immediate Debit Card</b>	<ul style="list-style-type: none"><li>• Being with (cash) and feeling without it</li><li>• Charges the transaction immediately vis-à-vis the bank</li><li>• No need to look for an ATM</li><li>• Payments can be tracked</li><li>• Allows for control over expenses</li></ul>	<b>But</b>	<ul style="list-style-type: none"><li>• Purchases may be made up to the limit of the credit card</li><li>• Does not allow paying in installments</li><li>• Use of the card usually entails fees</li></ul>
<b>Prepaid Card</b>	<ul style="list-style-type: none"><li>• Can be loaded with a predetermined amount, which</li></ul>	<b>But</b>	<ul style="list-style-type: none"><li>• If the amount on the card is spent – it cannot be used until the next loading</li></ul>

	allows for control over expenses • Similar to use of cash		• Does not allow paying in installments • Use of the card usually entails fees
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Managing the expenses on the credit card:

- The credit card is only used to make payments and does not serve as an account – Funds may not be deposited in or withdrawn from it.
- Coordinate with the bank to ensure that the charge date on the credit card is set after the salary comes in.
- Track the charges on the card at least once per month – Identify each purchase and ensure that it was made by you.
- Opt to pay in a single installment, as much as possible. Dividing into multiple installments may make it easier to make a one-time purchase of expensive products or when paying for continuous service (a magazine subscription, clubs etc.). In any event, it is important to check whether splitting payment into installments entails payment of interest ("Credit").

### Need economic support?

In special instances, you may receive economic support from the military. That assistance is usually granted to soldiers from economically or socially disadvantaged families and lone soldiers. In order to receive the assistance, contact the NCO of Service Conditions at the draft office or the base on which you serve and file a request on the digital system. There you will find the certifications required for filing it, which may be uploaded in the personal area and track the handling of the request there. The manner and scope of the assistance shall be determined by the entities authorized thereof in the IDF, according to the forms you filed. The assistance will mostly be granted via financial aid called TASHMASH (Family Payments) and gift certificates for the purchase of food. You may also submit a request for a work permit during service, and in special cases, you may receive a special vacation for work purposes. If you have any uncertainty or difficulty, you may consult with the NCO of Service Conditions. They may also direct you to additional assistance, if necessary. Additional information on economic assistance for soldiers may be found on the KolZchut website.




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The Bottom Line: With proper management and the tracking of expenses, you can keep your bank account balanced, even with a challenging military salary.

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### Is there a discount for soldiers?

Clubs, benefits and discounts you should get familiar with

You Deserve More

You obviously know that as soldiers, you receive benefits and discounts nearly everywhere, at least here in Israel. Besides riding for free on public transportation, here are some additional benefits you should know about:

Club Benefit – There are various clubs that grant benefits to soldiers and it is worthwhile for them to know about them.

Cinema – Most movie theaters give you a discount of up to 50% of the ticket price during weekdays, upon presentation of an army ID. If you possess a "Fighter" ID, the discount may also apply for you on the weekends in some movie theaters, and you may sometimes receive an even greater discount on ticket purchases as well.



The popcorn tastes better when you pay less for the ticket

Exemption for Municipal Taxes – If you rent an apartment or reside in an apartment you own, you should check whether you are entitled to an exemption from municipal taxes. You can check this with the municipality.

Benefits in Your City – There are local authorities that grant variable benefits and discounts to soldiers upon presentation of resident soldier certificate. You can use the local authority's website in your area of residence to remain up-to-date.

### Together for the Soldier

You've probably heard of the Libi Fund or the Association for the Wellbeing of Israel's Soldiers. These are two associations, which have unified into a single organization that is financed by donations from around the world and which is entirely committed to the soldiers. Among other things, the organization operates a chain of soldier dorms, resort villages, a chain of convenience stores for soldiers (Caveret) and additional projects such as "Adopt a Fighter", a warm home for soldiers and the

"Yoter" Club. In addition, the organization grants donations to lone soldiers, scholarships and additional benefits for soldiers. Additional information on the Association's activities may be found on the Yahad United for Israel's Soldiers website.



The Bottom Line: Soldiers are entitled to quite a few rights, benefits and discounts.  
If you become familiar with them, you too can enjoy yourselves and have fun during your military service without developing a hole in your pocket.

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## **What awaits you after your discharge?**

Everything You Need to Know for a Sift Landing in Civilian Life

Like anything good in life, military service comes to an end, and with it the military salary. So, what do you do now? You need to pay social security, find a job, register for school, fly overseas...

Here is some information that can help you to easily integrate into civilian life:

First of All, You Receive a Discharge Grant

The grant is provided by the state to every soldier that is discharged from the IDF (as of May 2019). The amount of the grant depends upon the number of months you accrued during the service and the type of service and could amount to thousands of shekels. You will receive the grant directly to your bank account within 60 days of the date of discharge and you can use it for any purpose. You can find additional information on the Discharge Grant on the website of the Directorate and Fund for Discharged Soldiers.

Preferred Work

If after your discharge, you choose to work in any of the professions defined by the state as required and preferred (for example, working at gas stations, hotels, agriculture), you will be entitled to receive a grant (the amount of the grant is periodically updated). In order to receive the grant, you must start working within a year of discharge, and to complete the required days of employment. Following the COVID pandemic, the terms of entitlement to the grant were eased. You can find additional information on preferred work and the terms of entitlement on the National Insurance Institute website.

Personal Deposit

An additional benefit that the state provides to discharged soldiers, is a sum of money that is granted as a deposit and is intended to be realized for specific purposes, such as studies, housing, establishing a business and more. You may redeem the deposit for these purposes within 5 years of the date of discharge, and if you have not utilized them by the end of the period, you will be given the option of redeeming the funds and using them for whatever purpose. If you have not utilized the entirety of the deposit funds within 5 years, the remaining balance will be deposited directly into your bank account. Additional information on the amount of the deposit and its utilization may be found in the Personal Area on the website of the Directorate and Fund for Discharged Soldiers



If the balance of the deposit funds has not been transferred to your account after 5 years from discharge, you must redeem the funds independently.

After 10 years, the balance will be erased and cannot be received.

#### A Two-Month Exemption from Paying Social Security

Once you are discharged, you must set up your payments to Social Security. In the two months following discharge, in order to ease the transition to civilian life, the National Insurance Institute grants you the benefit of an exemption from paying Social Security. Afterwards, if you started to work as salaried employee, the employer will transfer the payment and deduct it from your wages. However, if you are self-employed or unemployed, you should go to the National Insurance branch nearest to your home and settle the payment. Remember to do this even if you are planning a long trip abroad, so as not to accrue debts and fines upon your return. You can find additional information on the National Insurance Institute website.



And what will you do with the Discharge Grant?

Have you heard of the Mishtachrerim Conference?

The Directorate and Fund for Discharged Soldiers (Mishtachrerim) conducts conference for discharged soldiers 3 times a year, to which all the newly discharged soldiers are invited, in accordance with the discharge cycles. Besides meeting other young, excited and confused people such as yourselves, you can gain impressions from the education and employment fare, and receive information on the benefits you are due. In addition to the Mishtachrerim Conference, the Fund conducts workshops on preparing for civilian life, scholarships, benefit clubs and more. Additional information may be found on the website of the Directorate and Fund for Discharged Soldiers.



**The Bottom Line:** Even after discharge, you deserve benefits. Being familiar with the aid options granted to discharged soldiers by the IDF will help you return to civilian life.

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