

FINANCIAL PLANNING AND RETIREMENT

Introduction

It is a major decision to begin the process of retiring from a faculty position at Howard University to focus on new life goals. Such a decision impacts one's personal life while also having significant financial implications. Planning ahead to assess the financial resources required to care for yourself and others who rely on you as well as fulfill your goals is key to having confidence in your decisions. Addressing these concerns requires a realistic and accurate plan – a plan resulting from the input of those who have financial expertise.

Financial Planning Support

In an effort to support faculty as they explore or plan retirement, Howard has identified a group of independent financial services professionals to meet with PRP eligible faculty. Retirement and financial planning assistance is being made available through a variety of support resource options, and with a considerable number of different financial assistance providers, to accommodate individual preferences and needs. Family members of eligible PRP faculty may also attend financial planning meetings.

The financial services professionals Howard has identified do not work for the University. They are all independent financial services professionals with expertise and specialties in family, estate, and retirement planning. These firms have agreed to partner with Howard and offer support to PRP eligible faculty who would like objective financial and retirement advice including an evaluation of each individual's goals, financial situation, and the possibility of participating in the Phased Retirement Program.

Subject to time limits on the services provided to an individual faculty member, the financial and retirement planning services are offered at no charge to PRP eligible faculty, whether or not they are considering or intend to apply. Each PRP eligible faculty member, or designated family member, can meet and access these financial planning professionals in the following ways:

I. Group Information Sessions on Retirement and Financial Planning

Beginning Thursday, October 13th, 2011 and continuing through Friday, December 16th 2011, the University is offering a series of general information sessions at the Howard Center focused on reviewing key elements in retirement financial planning (see enclosed calendar and schedule).

Each session will be hosted by staff from the Howard University Department of Benefits and Pension Administration and the independent financial services professionals. The sessions will last approximately 90 minutes and will give a basic overview of financial planning and key considerations necessary to ensure a smooth transition from full employment to retirement.

More importantly, post each presentation, PRP eligible faculty can meet one-on-one with the financial services professional of their choice and schedule a follow-up meeting to learn more about their individual PRP situation.

There is no cost to faculty to attend these general information sessions.

II. One-on-one meetings with Financial Planning professionals

Howard will also offer the opportunity for PRP eligible faculty members to select and meet one-on-one with a financial planning professional of their choice. Standard industry procedures are to meet for a consultation (at least 1-1.5 hours minimum) face to face to review financial goals, budgets, and to assess current insurance / investment portfolio and related documents.

Meeting rooms will be available and staffed by financial services professionals at both the Howard Center and the Service Center for faculty to schedule at their convenience confidential one-on-one conversations.

There is a onetime \$400.00 reimbursement for faculty to schedule and meet with a financial professional they choose to engage for retirement information and advice. This may be from the list of advisors Howard provided or from a financial planner the faculty currently retains.

Expectations

Developing a comprehensive financial plan requires considerable time, data, and effort. At the first meeting financial planners will get to know you, learn about your concerns, and collect key financial information. Ascertaining the level of spending that is sustainable for you helps clarify the financial impact of phasing into retirement. At the second meeting, financial planners will provide you with a summary of their findings. Financial planners will also be able to provide you with some investment guidelines to improve your asset allocations.

The financial planning advisor should be able to assist you to consider in two relatively short meetings whether your current standard of living is sustainable if you were to phase out of work in the next few years. While this will not be a comprehensive financial plan or review of your investments, these two meetings may initiate the development of a specific plan, should you want to continue developing one.

Deliverables

In summary, each faculty member who meets with a financial advisor can expect the following four deliverables after two meetings (1.5-3.0 hours total duration):

- a. A review of the faculty member's financial situation including personal goals, current income, retirement income, assets and financial requirements
- b. A review of the faculty member's individual *Retirement and PRP Benefit Statement* and the financial impact of the PRP on the faculty member's retirement plans including consideration of phased reduction over time
- c. An assessment of an individual faculty member's current financial health and risks
- d. Basic investment guidelines tailored to the faculty member's individual situation

III. \$400 Reimbursement for Financial Planners of your own choice

As an additional benefit of the PRP, eligible faculty members who currently have a relationship with a professional financial/retirement planner can engage them to assist with retirement and financial planning including the PRP opportunity. Howard will subsidize the cost of this service up to \$400.

This is a one-time fee payment to one financial services vendor per eligible faculty member. Each financial services professional will invoice Howard directly for payment following the delivery of financial planning services, referencing the faculty member's name, the date(s) of the delivery of services and specifying "PRP reimbursement."

Signing Up

There are three ways to sign up to meet with a financial planning advisor from the independent group identified by the University:

- a. Attend a financial planning group session by calling the PRP benefits line at 202.806.1259. A receptionist will schedule you for an upcoming meeting which fits your schedule. At the meeting, you will be introduced to several financial planners who you can meet and with whom you can schedule an appointment.

b. Call to schedule a one-on-one meeting with a financial planner by calling the PRP benefits line at 202.806.1259. A receptionist will assist you in making an appointment for a one-on-one assessment meeting with the advisor of your choice.

c. Review the enclosed list of Financial Advisor contacts. Take a moment to review their individual bios and research their company website. When you have identified someone with whom you feel you would be comfortable, call them directly to schedule an appointment. If you contact one of the Financial Advisors directly, please call the PRP benefits line so that the Office of Human Resources may track financial planner utilization. This also helps ensure the financial planner you choose will be properly and promptly reimbursed.

What to Bring

When meeting with a financial planning advisor one-on-one, please be prepared for the first meeting by bringing the following items below (client checklist). The earlier an advisor has access to the following documents, the sooner he or she can evaluate your personal situation and offer specific and realistic suggestions.

- Individual Retirement and PRP Benefits Statement
- Total Compensation Statement

If these documents are not available to you, please contact the PRP benefits line at 202.806.1259 to request a new copy. The financial planner you choose with may suggest or request additional information to get a more detailed picture of your current financial situation. It is solely at your comfort discretion what information you provide and the issues you choose to address regarding your personal financial and retirement plans.

Howard is committed to supporting all PRP eligible faculty by encouraging them to receive independent, objective, expert, and balanced advice regarding their own financial and retirement interests, plans and opportunities.

To support faculty in this process and beginning Thursday, October 13th through Friday, December 16th, financial services professionals will be available on campus to meet with interested faculty, at their request (by appointment), or by attending one of the financial planning information sessions and setting up a one-one consultation post meeting.

Financial Planning Services Professionals List *

*The independent financial planning service professionals will be solely responsible for services they provide to you. Howard University has no control over these services and does not endorse the opinions or advice that may be provided. In utilizing these services you understand and agree that the University has no liability for the services provided.