Retirement and Financial Planning Information Session
Welcome to the ... Financial and Retirement Information Session
AGENDA

- PRP Overview
- PRP Benefits Summary
- Financial Advisor Resources
- Meeting One – Information Gathering
- Meeting Two – Retirement Analysis & Planning
- Meet Financial Advisors
- Summary
The Phased Retirement Program (PRP) honors and supports faculty who have given dedicated service to the University and voluntarily choose to retire, either immediately or by progressively reducing their workload as PRP participants.
Section I: PRP Eligibility

- Plan is voluntary
- Plan is available to qualified faculty:
  - Tenured, career status and master instructor
  - Age plus years of services equals or exceeds 70
  - 5 years of service to the University
- Persons admitted into the program may retire June 30, 2012, or phase out over 1 to 5 additional years
- Individual negotiations between the applicant and the dean will determine:
  - The length of the phase-out, if any
  - The proportion of full-time workload in each year
  - The distribution of responsibilities in each year
- Participants will resign tenure, but for as long as they remain engaged full-time they may participate in APT processes
Section I: PRP Timing

- Faculty information packages (non-clinical) were distributed between October 10th - October 21st
- Town Hall information sessions began in October and will run through November
- Dean / dept. chair planning sessions began the last week of October and continue through Nov.
- PRP applicants submit completed applications by Wednesday, November 30th, 2011
- PRP negotiations begin post application and will continue until February 29th, 2012
- The first wave of retirements will occur on June 30, 2012
Section I: PRP Process

- Informal conversations may occur between department chairs and eligible faculty members
  - Must focus on the exchange of information but not imply a promise of the final agreement
  - Must emphasize that formal negotiations with the dean will determine the terms of the final agreement
  - Must not make specific reference to any eligible colleague

- Formal conversations must have HR representative present

- Individual negotiations aim to produce a signed agreement
  - The objective is to assure the integrity of academic programs while honoring the applicant’s wishes as much as possible

- A limited appeal process is available to applicants when an agreement can not be reached
Section I: PRP Process

Dean / Dept. Chair Role

◆ Assure the integrity of academic programs, taking into account:
  • Instructional, research, service, and administrative needs of the program
  • Accreditation status
  • Size, specializations and experience of faculty
  • Anticipated curricular needs through June 2017

◆ Achieve balance of program goals with larger institution strategic planning issues, such as budgeting
Section I: PRP Process Steps

- Submit Application
- First meeting with Dean
- Meeting with financial planner (optional)
- Second meeting with Dean
- Reach understanding with Dean
- Execute Faculty Phased Retirement Agreement
Section I: PRP Process Review

**APPLY**

Turn in PRP Application by November 30th

**MEETING ONE**

Information gathering. Verify faculty requests beginning December 1st

**MEETING TWO**

Discuss & Reach agreement. Verify agreements – fill out PRP Agreement by February 29th
Section II: Benefits Overview

- Retirement Incentive Payment
- Healthcare Program
- Employer Pensions (Defined Benefit Plan)
- 403 (B), IRA’s, Annuities (Defined Contribution Plans)
- Life Insurance
- Remission of Tuition
Section II: Benefits Overview

- Short-Term / Long-Term Disability
- Permanent Disability or Death (Retirement Incentive Payments)
- Flexible Spending Account (Based on Pre-Tax Dollars)
- Employee Assistance Program
- Long Term Care
Section II: Benefits Overview

**Social Security**

- Review your Social Security statement *(note: no longer being mailed to you)*
- Take the question of when to claim VERY seriously
- Visit [www.socialsecurity.gov](http://www.socialsecurity.gov) to learn about your benefits
Section III: Financial Advisors

- Professional standards and affiliations
- Fee only, fee based, non fee based planners
- Breadth & Depth
- Local convenience - geographical reach
- Commitment to and/or a connection to Howard University / HU faculty
- Financial Advisor introductions (bios)
Section III: Financial Advisors

Professional designations:

• **CFA** – Chartered Financial Analyst
• **CFP** – Certified Financial Planner
• **CPA** – Certified Public Accountant
• **ChFC** – Chartered Financial Consultant
• **AIF** – Accredited Investment Fiduciary
• **CEBS** – Certified Employee Benefit Specialist
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Section III: Why Financial Advisors?

Retirement Planning  Insurance Planning  Tax Planning  Estate Planning  Investment Planning

FINANCIAL PLANNING PROCESS
Section III: Meetings Overview

**CHOOSE**

**MEETING ONE**

Set up an appointment

Information Gathering

**MEETING TWO**

Recommendations
Section IV: Meeting One Information Gathering

- Sources of Income & Savings
- Current and Future Expenses
- Employer Pension
- Retirement Plans (i.e. 401k, 403b, etc....)
- Individual Retirement Accounts (IRAs)
- Social Security
- Other investments, including real estate and Fixed Annuities
Section IV: Meeting One Information Gathering

What does retirement mean to you?
Section IV: Meeting One Information Gathering

KEY ASSUMPTIONS

- Current lifestyle
- Current assets
- Retirement age
- Retirement Needs
- Time Horizon
- Tax Rate
- Inflation
Section V: Meeting Two Deliverable

Objective Recommendations

An executive summary regarding your financial health and retirement readiness focused on areas of financial strengths and weaknesses
Section V: Meeting Two Deliverable

Summary

The $400.00 HU PRP voucher includes two meetings: an average of 3-4 hours of information gathering and financial review resulting in a basic retirement analysis.

Further conversations for more in-depth consultation are at the discretion of individual faculty members. Past performance is not a guarantee of future performance.
Section VI: Meet Advisors

- Obtain business card (s) from advisors
- Collect advisor materials, benefits brochures, PRP information displayed in the back of room
- Call to set-up a one-on-one meeting with the financial advisor of your choice

- Please notify HR via PRP benefits info line
Choosing when to retire is one of life’s big decisions!
Reminder: Key PRP Dates

Wednesday, November 30th, 2011
Last day to submit Application to Participate in the Phased Retirement Program

Wednesday, February 29th, 2012
Each participant’s understanding with Deans must be finalized (Faculty who reach an understanding with the Dean will be given a Faculty Phased Retirement Agreement which must be signed by the faculty member within 45 days of receipt.)
PRP Reference Materials & Questions

For updates to important dates, answers to FAQ’s and any updates to Program documents

202-806-1259
prp@howard.edu
www.hr.howard.edu/prp/info.html
Thank you for attending

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