



Protecting Your Wealth with Innovative Tax and Estate Planning Strategies

Retirement Simulation Workshop For NOAA Employees



EXECUTIVE SUMMARY



What We Do:

- Deliver specialized financial literacy and retirement education programs to government employees at the entry, mid, senior and retiring levels, addressing the specific requirements and needs of public sector employees
- Standardize retirement financial educational programs across Agencies and Departments
- Support Federal Government efforts to implement a retirement financial literacy and education strategy for public sector employees
- Create a community of knowledgeable government retirement and financial planning experts to assist government agencies and individuals



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RETIREMENT FINANCIAL LITERACY AND EDUCATION STRATEGY

REPORT TO THE CONGRESS

Working for America

The Thrift Savings Plan Open Elections Act of 2004 (Public Law 108-469) requires the Office of Personnel Management (OPM) to develop and implement a retirement financial literacy and education strategy for Federal employees as part of the retirement training offered by OPM under 5 U.S.C. 8350. The implementation of the strategy must educate Federal employees on the need for retirement savings and investment, and must provide information on how to plan for retirement and how to calculate the retirement investment needed to meet their retirement goals. OPM is required to submit a report to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives on the strategy no later than June 21, 2005.



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
OCTOBER 2005



ABOUT THIS WORKSHOP

Washington Retirement Planning Specialists (DCRPS) is delivering to you the following financial literacy training:

- **Classroom training covering 5 topics** (15 action items);
- **Two 45-minute sessions of one-on-one consultations.** This time may be used: for personal questions, to get specific information and, if you choose to do so, to begin developing your Financial Roadmap. This consultation and the development of your Financial Roadmap are being provided to you by DCRPS, pro bono, as a part of this capstone course;
- **Two training handouts:**
 - **A general Financial Action Plan** covering the 5 topics (15 action items) of the workshop. Please make notes on each of the 12 action items during the presentation so that you may follow-up in your personal consultations; the Financial Action Plan contains a sample Financial Roadmap and Action Checklist (showing what a Financial Roadmap will look like and what you will receive following your consultations);
 - **Financial Roadmap Workbook** which has three sections: [Please write your name, mailing address, phone number and a personal e-mail address on the cover page.]
 - 5 classroom worksheets;
 - 3 financial planning worksheets(To develop the Financial Roadmap, these forms should be completed by you before coming to your first of two complimentary one-on-one meetings. If you wish to take advantage of the personal consultation, please sign up for it during the presentation, complete the Workbook and bring it with you to your consultation, along with:
 - ✓ A copy of your most recent Federal Tax Return,
 - ✓ A copy of your most recent TSP statement,
 - ✓ A copy of your most recent Benefits statement,
 - ✓ A copy of your most recent Social Security statement and
 - ✓ Copies of your other financial/ brokerage/insurance statements;

Personal Questions list: please write down the questions you have on the form provided (last page of the Financial Roadmap Workbook). The first consultation is for collecting the completed Workbook and all other supporting documents and to ensure that all necessary data has been collected for creating a complete analysis. The second consultation is when participants receive a written copy of their fully customized 'Financial Roadmap' and a detailed explanation of the analysis for their case.



ABOUT THIS WORKSHOP

Classroom Presentation

15-Point Financial Action Plan – Developing Your Financial Resume

Topic 1: Pension Maximization

Annuity Income and FEGLI/Life Insurance/FDIC LI:

Q. What is the best way to fund a survivor annuity? / Life insurance: what kind, how much, how to pay for?

Q. What do I need to know about Social Security?

Topic 2: Investment Maximization

TSP Investment Strategies:

Q. Why is it important to participate in the TSP? Should I consider ROTH TSP?

TSP Allocation: for Employees and Retirees

Q. How to optimize the TSP/FDIC Savings Plan allocation?

Investment Portfolios

Q. What kind of portfolio is available and what am I going to confront in the market?

TSP, FDIC Savings Plan After Retirement:

Q. What should I consider in deciding whether to keep it in or take it out with respect to THE FOUR PHASES OF RETIREMENT and cash-flow considerations?

Topic 3: Income and Taxes

Should I use a 1099 contract for my new post-retirement employment income?

Q. Is a Self Employment Plan (SEP) or Defined Benefit Plan (DBP) right for me?

What to do with a lump sum payment for annual leave?

Q. How to manage the tax consequences of official salary, additional income, plus the lump sum annual leave payment in the same tax year?

Q. What are the important Tax Birthdays that I should be aware of?

Leaving a legacy through an inherited IRA or ROTH IRA:

Q. How can I maximize the benefits from the unused portion of my retirement assets and minimize the taxation on it, both estate and income, for my beneficiaries, after my spouse/partner and I have passed away?



ABOUT THIS WORKSHOP

Topic 4: Estate Planning

Downsizing Strategies

- Q. How can I avoid probate?
- Q. What instruments are available to benefit my estate and enhance my legacy?
- Q. How does charitable giving reduce estate taxes?

Topic 5: Financial Literacy

Financial Investment Advisors – Do I Need One?

- Q. How do you find and select a Financial Advisor, is it different from finding a doctor or dentist, do you even need a Financial Advisor, is a Financial Advisor a stock broker, what is the difference, what are the fees I should look out for, how to have an open and good professional experience?

Developing Your Financial Roadmap

- Q. What is the next step?

Individualized Follow-up Training

Where financial literacy training programs have consistently failed is in the student's ability to assimilate voluminous, complex data and then translate that into a personal action plan. The approach taken by Washington Retirement Planning Specialists in this training eliminates the possibility of failure / procrastination by giving each student a financial roadmap that serves as a basis for comprehension and action. You should walk away from this presentation with a roadmap for your financial future.

Individual Consultations

Two complimentary one-on-one student meetings, each lasting 45 minutes: You may sign up for a consultation time during or after the presentation. These meetings allow each participant to focus on the Financial Roadmap they will develop in the direction of issues that are most important to them. The Financial Roadmap data will be used strictly for the purpose of analysis and is prohibited by privacy law guidelines from being shared or compromised in any manner whatsoever.

All documents will be returned to you after your request.

- Responses to written questions will be delivered during the second complimentary private consultation.