ADVANCE FINANCIAL CARE PLANNING

Testimony to ERISA Advisory Council

September 18, 2020

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Research Scholar

Stanford Center on Longevity

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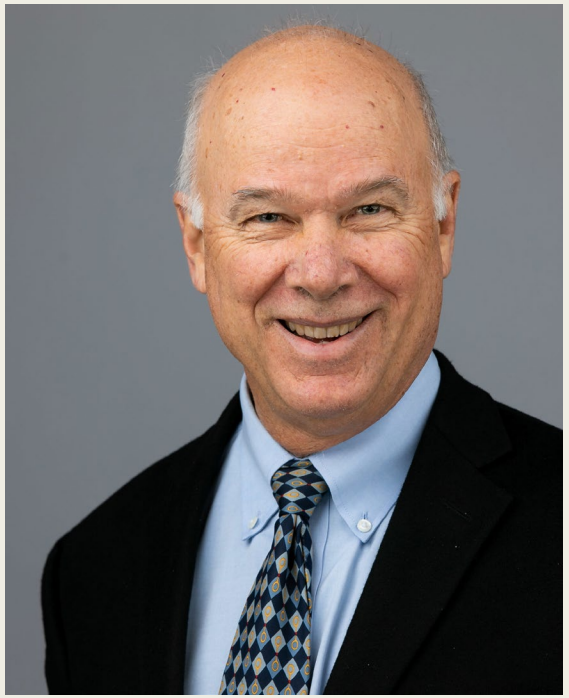

- 30+ years as consulting actuary working on retirement plans
- ”Retired” as VP from Watson Wyatt in 2006
- Encore career in retirement education since 2006
  - *Published 4 books on retirement planning*
  - *Published 1,000+ online columns at CBS MoneyWatch and Forbes.com*
  - *Delivered more than 90 retirement planning workshops and presentations*
- Research Scholar at Stanford Center on Longevity since 2013
  - *Focus on retirement income and planning strategies, psychology of decision-making*

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Today's testimony

- Steps seniors can take to protect against financial losses
- Roles for financial advocate(s)
- Transition signs
- How plan sponsors and service providers can help

- For details see my written testimony dated September 18, 2020

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Steps seniors can take

- Prepare financial inventory
- Protect financial resources for daily money management
- Protect long-term investments, sources of retirement income, major insurance policies

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Roles for financial advocate(s)

- Help with daily money management
- Help with navigating health care providers and processing insurance claims
- Monitoring/decisions regarding investments, sources of retirement income, insurance policies

How plan sponsors and service providers can help

Protect and fortify resources as part of retirement planning

- Design, administer, and communicate a robust retirement income menu in DC plans
- Sponsor retirement planning workshops and educational campaigns
- Deliver focused communications on risks of lump sum option in DB plans
- Host financial wellness programs/employee study groups that address advance financial care planning

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How plan sponsors and service providers can help (cont'd)

Enable and support participants and their financial advocates

- Implement procedures to acknowledge authority of financial advocate(s)
- Offer account lockdown in DC plans and other online security features
- Deliver warnings about potential noncompliance resulting in penalties
- Provide conduit to supportive services

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Questions?

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