Financial Planning for You and Your Family

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Agenda

- What is Financial Planning?
- Retirement/Distribution Planning
- Social Security and Medicare
- Money & Credit
- Estate Planning
- Sandwich Generation:
  - College Planning and Eldercare Planning
- Insurance Planning
- Tax Planning

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Financial Planning

Who needs "Financial Planning"? **EVERYONE!**

Financial planning is the long-term process of wisely managing your finances so you can achieve your goals and dreams. It is a road map which creates financial order out of financial chaos.

The five areas of financial planning are:
retirement, investment, insurance, tax, and estate planning.

The financial planning process involves the following steps:
- Establishing written goals
- Collecting financial and personal data
- Creating and implementing a plan
- Monitoring & reviewing the plan

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Financial Planning

Dreams vs. Goals

Are your goals **SMART**?

Specific, **M**easurable, **A**chievable, **R**eachable, **T**rackable

- List your financial goals according to cost and projected date of completion
- Prioritize your financial goals in writing

Goals	Cost	Date	Priority
Apartment	$200,000	06/01/17	2
Car	$30,000	06/01/15	1
College Fund	$100,000	09/01/25	3

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Retirement/Distribution Planning

How can I save for retirement?

Make DCP a part of your financial plan:

- 457 Plan – Pre-Tax and Roth
- 401(k) Plan – Pre-Tax and Roth
- 403(b) TDA for DOE and HHC Employees
- NYCE IRA and the Spousal NYCE IRA

DCP saving options work together to help you today and in your retirement.

Contribute the maximum that you can in as many plans as you can.

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Retirement/Distribution Planning

Why is saving with DCP a good idea?

- "Pay yourself first"
- Tax-favored savings
- Dollar cost averaging
- Low cost investment options
  - 12 Pre-Arranged Portfolios
    - The portfolios consist of varying percentages of the Plan's core investment options for participants who prefer the ease of selecting a well-diversified and managed portfolio
    - Choosing a portfolio will depend on your age or when you expect to begin withdrawals
  - Seven core investment options
    - Stable Income Fund, Bond Fund, Equity Index Fund, Socially Responsible Fund, Mid-Cap Equity Fund, International Equity Fund and Small-Cap Equity Fund

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Social Security & Medicare

Social Security Benefits?

- Reduced benefit at age 62, maximum benefit at age 70
- Your decision will impact dependents, spouse and other survivors
- Social Security benefits for widows, widowers, divorced persons

Medicare Benefits

- Apply three months prior to age 65
- Hierarchy of health insurance benefits

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Money and Credit

- Check your credit report every year. *It's free!* *www.annualcreditreport.com - (877) 322-8228*
  - Credit Bureaus: Experian, Transunion, Equifax
    - Stagger the requests – One every 4 months provides 3 free reports a year!
- Track your expenses – Daily spending record
- Establish an emergency fund

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Estate Planning

Definition:
The accumulation, conservation and distribution of your assets to achieve your objectives during your lifetime and at your death

- Create a Will, Durable Power of Attorney, Health Care Proxy, Living Will
- Make sure that your beneficiary designations (DCP, Pension and Life Insurance) are current

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Do you belong to the Sandwich Generation?

College Planning

- Fund a 529 College Savings Plan for Tax-Free Growth
  - Upromise rewards program
- File the FAFSA (Free Application for Federal Student Aid)
  - Apply for scholarships, grants, Stafford and Plus Loans (Federal Loans before private loans)

Eldercare Planning

- Emotional and practical considerations
- Resources available to NYC employees:
  - EAP (Employees Assistance Program)
  - Family Medical Leave Act (FMLA)

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Insurance Planning

Why is insurance an important safety net?

- Protect your family's income if you become sick or die
  - Disability and Life Insurance
- Make sure that your property is adequately protected
  - Rental, Homeowners, and Automobile Insurance
- Determine if you have sufficient liability protection
  - Excess Liability (umbrella) Insurance
- Understand your NYC insurance related benefits

Talk to your broker or agent to review your coverage

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Tax Planning

- Investigate your tax-favored employee benefits
  - DCP retirement savings plan
  - Health Care Flexible Spending Account* (HCFSA)
  - Dependent Care Assistance Program* (DeCAP)
  - Transit Benefit Program

* Fall Annual Open Enrollment period – go to nyc.gov/fsa to see how much you can save

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Financial Planning Checklist

- Put your **SMART** goals in writing
- If you are not a participant, consider enrolling in DCP
- If you are a DCP participant, consider increasing your contributions
- Create or review all estate documents
- Review and update beneficiary designations
- Set up a an emergency fund and a budget
- Monitor and review your plan every year, especially in the event of lifestyle changes
- ***Tax*** time is a ***good*** time to revisit your plan

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Who to Call?

For information or questions about your account, call our Client Service Department at (212) 306-7760 or visit our Web site at nyc.gov/deferredcomp

For information about the Plan's Financial Planning services, future seminar dates and to register, call (212) 306-5050

Thank you!

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