THE RETIREMENT TIMES

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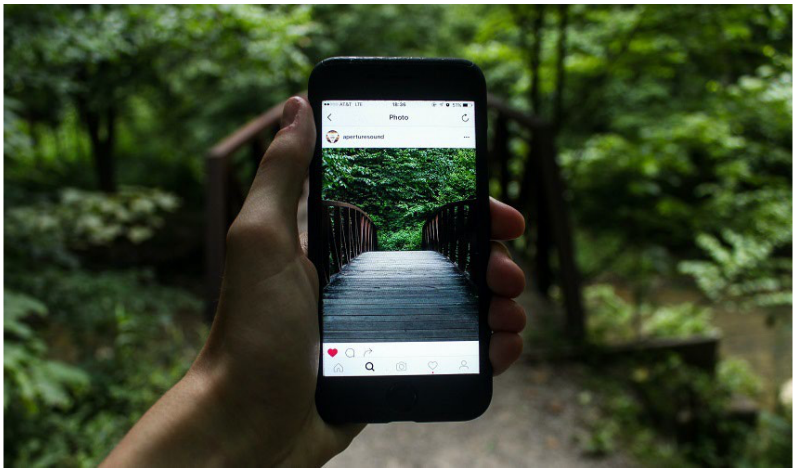
Avoiding Social Media Pitfalls in Retirement Planning



Americans are increasingly getting financial and retirement planning guidance from social media, risking exposure to misinformation, harmful advice and outright scams. Alarmingly, this includes almost eight in 10 millennials and Gen Zers. Workers turning to these platforms can undercut the benefit of employer-sponsored financial wellness initiatives and put themselves at risk. But there are ways to help ensure sound advice prevails.

Offer short-form financial literacy content. Don't rely solely on lengthy written articles and extended information sessions to provide financial wellness programming. When appropriate, offer tips and lessons in convenient, bite-sized formats, such as listicles, easily digestible infographics, or answers to FAQs.

Incorporate video content. Use platforms like YouTube shorts or Instagram Reels as inspiration and develop quick, informative content on relatable financial subjects. And don't worry, you won't need to dance through it like a viral TikTok — just make engaging videos on topics of value to employees.

Leverage your own influencers. Encourage employees to share success stories or testimonials about using company financial resources and retirement benefits as a way of building trust and credibility in your organization's voice. Include representation from a diverse cross-section of ages, cultural groups and gender.

Employ gamification. Incorporate gamification elements into financial education. Design interactive quizzes or games that employees can take part in. Create 30-day challenges with tasks aimed at improving financial literacy and wellness, offering incentives for participation and completion.

Launch a Mythbusters Series. Get ahead of misinformation by addressing common financial myths that frequently circulate on social media and debunk them with factual information. Use engaging formats like podcasts, blog posts or even live Q&A sessions where experts tackle these misconceptions and provide clear, accurate and prudent financial guidance.

Develop a Financial Wellness Resource Hub. Build an internal online content hub where employees can easily access a curated collection of reputable financial resources, tools and reading materials in a variety of formats. Regularly update it with fresh content, including articles, guides, calculators, and links to external resources vetted by qualified financial professionals.

Share cautionary tales. Highlight examples in the news of misfortunes that have befallen those following unvetted financial information on social media and stress the importance and value of personalized advice from qualified financial professionals.

Share warning signs participants should be on the lookout for, such as a profit incentive for those offering financial advice online or shortcuts to wealth building that seem too good to be true.

If your employees have any interest in financial advice, it's almost certain that search algorithms are serving up investment and other related content to them on TikTok and other platforms. Do all you can to encourage healthy information hygiene to help foster informed and responsible financial decision-making.

Sources
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The Graying of the American Workforce

The Silver Tsunami is headed ashore, as "Peak 65" is expected to usher in an average of 11,000 retirement age Americans daily through the end of 2024 — the highest ever recorded. And a lot of them plan to keep working. Pew Charitable Trusts reports that 62% of workers 65 and older are engaged in full-time employment versus 47% in 1987 — and the expansion of seniors' participation in the job market is projected to continue. The Bureau of Labor Statistics projects that more than one in five older adults will be in the labor force by 2032. For organizations, this demographic shift presents a unique opportunity to leverage the wealth of experience offered by senior professionals.

Modern Elders
Today's older workers are generally healthier and more educated than those of previous generations. And with fewer having pensions to provide stable income during their golden years, many are motivated to stay in the workplace longer to delay receiving Social Security payments until they reach full retirement age. Employers can gain a tactical advantage by supporting these often highly experienced workers seeking post-retirement "bridge jobs."

Older employees can help retain the type of institutional knowledge that can boost productivity and help maintain corporate culture by passing down critical skills and company-specific knowledge that might otherwise be lost. This knowledge transfer is essential for continuity and can save significant resources in training and development. Senior workers can also be highly valuable as mentors to younger coworkers and help boost morale by providing a sense of history and tradition.

Boomer Benefits: Adapting Rewards for a Mature Workforce
Organizations may be able to reap the myriad benefits older workers offer without having to pay a premium to retain them. They may be willing to accept reduced pay for perks like flexible or hybrid work options, phased retirement programs, job retraining into more age-friendly positions, expanded health benefits and HSAs to help cover medical expenses in retirement. However, it's important that the unique needs of senior workers also be addressed when constructing a comprehensive benefits package.

Systematic withdrawal plans can help retirement-age employees better manage cash flow. And expanding traditional financial wellness programming enables organizations to enhance the stability and job satisfaction of older workers while capitalizing on the vast reservoir of knowledge and experience they offer. Benefits could include longevity planning and other resources that address the specific life-stage concerns of seniors, such as estate planning, health care directives and long-term care funding.

Applying a thoughtful approach to senior talent can result in higher retention rates, lower recruitment costs and a more resilient and diverse organizational culture that both values — and benefits from — the contributions of its most experienced workers.

Sources
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Helping Young Americans Save for Retirement Act

Senator Bill Cassidy (R-LA), the Ranking Member of the Senate Health, Education, Labor and Pensions (HELP) Committee, and Senator Tim Kaine (D-VA), a member of that committee, introduced the Helping Young Americans Save for Retirement Act.

Sponsors of 401(k) plans would have to permit employees as young as 18 to make contributions under the bill. However, their involvement would be restricted to the following:

Not relevant to employees who work part-time: The long-term part-time regulation would not take effect until age 21, and it permits an employee to participate if they had two years of part-time service totaling at least 500 hours annually. The idea would prohibit certain individuals from participating, such as college summer interns who are younger than 21.

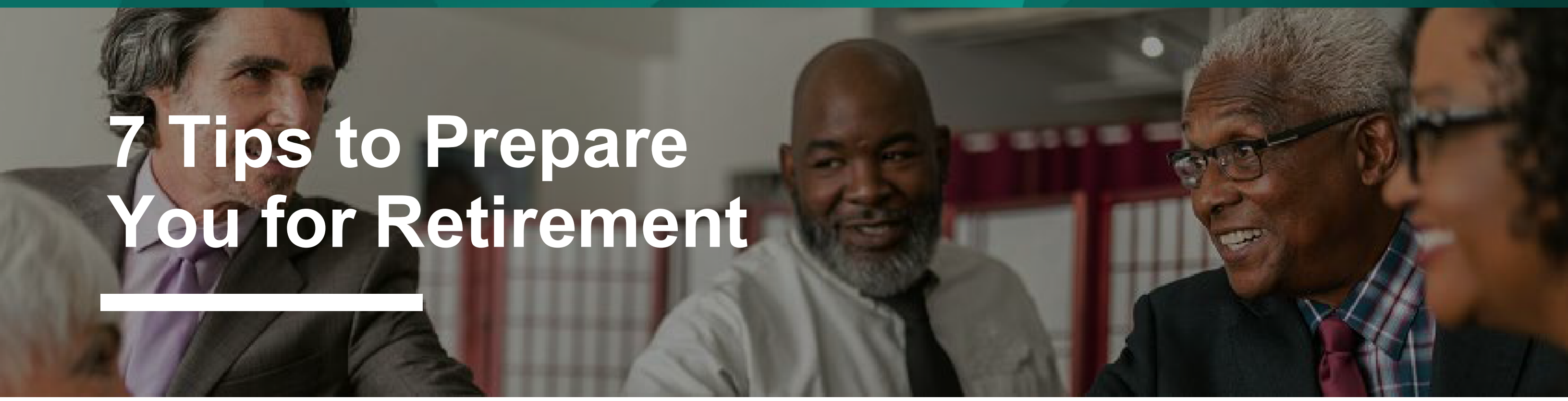
Nondiscrimination and rules prohibiting heavy lifting: These participants under the age of 21 may be excluded by their employers or sponsors from nondiscrimination testing, such as 401(k) ADP and ACP testing, and from consideration under the Top-Heavy rules.

Not taken into account when calculating the audit requirement under the 5500 rules: Plans sponsors with 100 or more members are required to file audited financials together with Form 5500/annual report. Employees who participate just because the bill proposes under-21 participation would not be considered for the purposes of that provision until five years after they initially join the plan.

These changes would be effective beginning in 2026.

While this proposal is unlikely to be passed as a standalone bill, it is likely to be under consideration in the next round of broad-based, bi-partisan retirement policy legislation.

PARTICIPANT CORNER



7 Tips to Prepare You for Retirement

A secure and happy retirement requires careful planning and is a well-constructed process. Starting now will give you plenty of time to make the strategic changes and improvements that will bring your retirement goals closer to reality. Here are seven things you should know to strengthen your retirement strategy.

1. **What will you do?** Establish definite objectives and plan for a retirement that will last for at least 20 years. Satisfied retirees generally set goals for themselves that include both monetary stability and personal fulfillment. Ensure your aspirations align with a financial strategy that supports these goals.

2. **Will you work?** The current trend of working beyond retirement requires a realistic evaluation of the opportunities that are accessible. Determine whether doing the kind of work that best suits your interests and abilities will make it easier for you to transition into your post-career goals.

3. **Where will you live?** Choosing where to live will also be a factor that affects your decisions. If being near family is a priority, then proximity will be a crucial element in where you decide to settle down. A good location is also crucial for anyone thinking about working after retirement to reach possible career goals.

4. **How much will you get from Social Security?** Get a personalized estimate at www.ssa.gov/myaccount to maximize the power of knowledge about your Social Security (SS) benefits. To optimize these benefits, be aware that SS payments vary depending on your enrollment age and discuss coordination techniques with your spouse (if applicable).

5. **How much additional money will you need?** Once you know what you can expect from SS, you need to determine if that and your other assets are enough to pay your monthly bills.

6. **Do you have health insurance?** As you approach the age of 65, eligibility for Medicare grows nearer. However, securing supplemental insurance remains essential. Those retiring before this age must explore alternative coverage options through private insurance or state health insurance exchanges.

7. **Have you stress-tested your finances?** Stress-test your financial situation to be ready for life's unexpected obstacles. Have an emergency fund on hand to handle unforeseen costs, such as house repairs, car replacements, or unanticipated health problems, to ensure your financial stability in times of difficulty.

Planning ahead and being proactive are essential for starting a safe and fulfilling retirement. By paying close attention to these seven factors, you could set yourself up for a retirement that fulfills your goals in terms of both finances and personal fulfillment. Make plans now so that your retirement may be a pleasant and fulfilled chapter of your life.

Please access your retirement plan provider’s website or consult with your financial professional, Kevin Donahue AIF®, CRPC at 813.512.2746 or email kevin@risensonfinancial.com

RISEN SON FINANCIAL
Your Retirement Plan Partners

Our Mission

Risen Son Financial strives to help employers reduce the cost of their retirement plans and the liability of their responsibilities by naming ourselves as fiduciaries to the plan and participants. We believe this builds the foundation to help employees reach their ideal financial future, through one-on-one education, risk analysis, and financial planning.

Why Us?

Based in Land O' Lakes, Florida, Risen Son Financial serves as retirement plan partners and investment fiduciaries for large and small businesses across the nation. Fulfilling the duties of good faith and trust, clients choose us knowing we will go above and beyond. As an Independent Financial Advisor, Risen Son Financial represents clients to the marketplace without any bias or conflicts of interest. We're accountable to you and your best interests. Risen Son Financial serves as a named fiduciary for both the plan and participants. As your Plan Fiduciary, we evaluate plan design, mitigate risks, conduct reviews, and offer solutions helping to improve performance. As Participant Counselors, we also serve as fiduciaries providing customizable advice and resources for the participants.

Our Process

At Risen Son Financial, our first step is to review the current cost and value being received by the plan. We can do this by reviewing the 404(a)(5) (participant fees) and 408(b)(2) (plan fees) disclosures that plans are required to distribute and receive from vendors. If these are not readily available, we can also review fund lineups and statements.

We meticulously review the retirement plan, including these 4 costs:

1. **Recordkeepers** – Receive funds from the employer and employee paycheck. Their main responsibility is to keep record of the contributions a participant receives and investment gains. Additionally, recordkeepers do the buying and selling of investments that the participant chooses, while also providing a website and quarterly statements.
2. **Administrators** – Make sure the plan meets the requirements set forth in the IRS code. They handle, testing, compliance, vesting, eligibility, loans, and withdrawals. Many times, administrators are "bundled" with the recordkeeper.
3. **Investments** – Contributions are deposited into investments. They have their normal expense ratio; however, these often come loaded with internal fees like 12b-1, sub-TA, concession and wrap. This is called "indirect compensation" or "revenue sharing." Often, an investment company will pay the recordkeeper a fee to be included in the investment lineup.
4. **Advisors or Brokers** – There is a difference. As a named fiduciary to the plan and participants, Advisors give advice, recommendations, and/or have discretionary control of investments, along with being the quarterback of the plan. This includes benchmarking all fees paid to vendors and shopping plan costs to keep fees reasonable. Advisors are held to the best interest standard. In contrast, Brokers are held to the suitability standard. Brokers can't give advice nor can they name themselves as a fiduciary to the plan. Brokers sell a product as a representative of a larger entity.

Once all fees are known, we benchmark those fees and services being received to the open market. We then use this benchmarking to get the cost of the plan reduced. We accomplish this by either going to the current provider to have them reduce the cost or moving the plan to a platform that will, along with providing for the needs of the plan. Being completely independent we can work with all providers which allows us to provide bias-free advice.

About Kevin Donahue, CRPC®, AIF®

Kevin Donahue is the owner of Risen Son Financial. After serving four years in the United States Navy, he graduated from Florida State University in 2004 earning a bachelor's in Computer Science and a minor in Mathematics. Seeing firsthand, the impact of retirement saving and planning with his own parents, Kevin entered the financial services business to pursue his passion of helping clients meet and exceed their financial goals and visions. Kevin has passed and currently holds the Series 65 license along with obtaining Chartered Retirement Planning Counselor (CRPC) designation from the College for Financial Planning. This designation encompasses pre-and post-retirement needs, wealth management, estate planning, and the entire retirement planning process. Additionally, he holds the Accredited Investment Fiduciary (AIF), which empowers investment professionals with the fiduciary knowledge and tools they need to serve each client's best interests.

Kevin resides in Land O' Lakes with his twin boys Andrew and Noah.