Jane Walstedt: Now I’d like to ask Rose Holandez, a program analyst in the Women’s Bureau’s regional office in Philadelphia, to introduce our first speaker. Operator, is Cindy Hounsell with us?

Coordinator: No, she is not.

Jane Walstedt: All right, then we are going to move to our second speaker. Rose, would you introduce our second speaker, Pat Humphlett, please?

Rose Holandez: Sure. Thanks, Jane. Pat Humphlett is the Coordinator of the U.S. Department of Labor’s Retirement Savings Education Campaign, where she is responsible for developing and promoting the Department’s retirement savings and fiduciary education campaigns. She previously worked at the Women’s Institute for a Secure Retirement, the Pension Rights Center, and the Congressional Research Service. Pat...

Pat Humphlett: Hi. Thank you very much. I’m very happy to be with you today. As you mentioned, I am at the Employee Benefits Security Administration here in the Department of Labor. And the role of our agency is to educate and assist Americans covered by private retirement plans. We help both individuals and we work to help plan sponsors, employers, and members of the employee benefits community.

Many people know the agency because of its role in enforcement and compliance assistance. And our role there is to make sure employers get it right and to help them understand the rules that cover the retirement plan,
because it’s your money in there, after all, and we want to make sure that it’s well taken care of.

In addition, we also provide information to individuals who are plan participants or beneficiaries in these employer retirement savings plans. We want you to understand how to save for retirement and how to make the most of any retirement savings plan that your employer might offer. Yet we’re in the same building as the Women’s Bureau, just on a different floor and down the hall.

And so we also share the Department of Labor’s Web site, although we each have our own Web site. So you start out with the www.dol.gov - which is for the Department of Labor - /ebsa for the Employee Benefits Security Administration. You can find a lot of information about what the agency does on our Web site.

Our national office…and then we have regional offices who have…are able to help individual participants. You can write or call our offices for help with questions about your rights under the law and to help you understand your benefits. Now remember, this is only for private plans. We can’t help with the government plans.

But if you want to reach us by phone, we have a toll-free number. It is 866-444-3272. You can also use that number to call to request publications. And I wanted to go over a couple of the publications that we have that are written for employees to help them understand their retirement benefits through their employer.

The first one I wanted to talk about is called New Employee Savings Tips: Time Is On Your Side. And this is geared really towards people who are fairly new in the workforce to help them understand. We hear from employers that
they worry that the employees don’t always place enough value on the retirement plan that they’re offering.

And if you have a plan at work, it really is a good idea to understand how it works. The first thing to do is to find some money and get started. Starting early really is the best thing you can do, and those of us that didn’t start early, we just have to save a little bit more as we go along. Take advantage of your employer’s retirement savings plan.

The most common savings plan out there is commonly called a 401(k) plan, but there are other types of plans out there. The thing about the 401(k) is usually you, the employee, have to do something to get into the plan. So the employer offers it, but you need to sign up. And then you need to decide how much you want to contribute from each paycheck, and then you need to decide where you want the money invested.

So you have to take a couple of steps in order to get involved in the plan. Also a good idea to understand [is] if the employer puts money in, sometimes that’s called an employer match. So, for example, if I put in $50, the employer might put in $25, and that’s a pretty good return on my money right away.

Now occasionally, some employers - and they’re becoming a little more popular - put you automatically into the plan. They call that an automatic enrollment 401(k). Even if you are automatically put in the plan, it’s a really good idea to get actively involved and understand how the plan works. Again, you can decide how much you want to put in and where it’s invested and like that.

Now if you have no plan at work--or even if you do, you might want to open an IRA--an Individual Retirement Account. I have a quick story. A friend of
mine--Cathy--has worked a very long and interesting career in pretty non-traditional jobs. One of her very first jobs was at a big mutual fund company, and she opened an IRA, and she’s been putting money in every year--all those years--and it really has grown to be quite an investment.

So sometimes it’s easier to put in $50 a month rather than try to come up with a big chunk of money when tax time rolls around. And the last step is [to] leave the money there –that can be the hardest step of all—so that it can grow.

Another publication we have is called *Savings Fitness: A Guide to Your Money and Your Financial Future*. And I’m just going to mention this quickly. It really is for everybody, and talks about how to fit retirement savings into your life, which I know is already full of saving and planning for other things.

But setting a goal could be one way to get you motivated to start saving. And once you reach that goal, you can set another goal and keep going.

We have one publication that’s been really popular--*Taking the Mystery Out of Retirement Planning*. This is geared toward Baby Boomers--those who are about ten years away from retirement. The printed publication is full of information and worksheets, and there’s an online version of the publication that has worksheets that will do the calculation for you.

If you’re farther away from retirement than ten years, it really doesn’t work for you. You can still use some of the worksheets, just to see where you are. But also share it with colleagues and parents and others that you know that are a lot closer to retirement.

The *Taking the Mystery Out of Retirement Planning* publication--the online version--walks you through five different worksheets. The first one really is
just general information about your age and when you expect to retire. But that’s a good place to start, because it can get you thinking about, “When do I want to retire and what will that retirement look like?”

The second and third worksheets are places you can put down savings that you already have at work or on your own. And it’s a time to gather up all those pieces of paper, contact old employers, talk to your spouse and say, “What do we have dear? I know you have something at work but how much is in there and when can we get it?”

And then there’s the expenses worksheet. And this really can be useful for anyone. It’s a place to write down everything that you’re spending now so you can see where your money is going. And there’s a second column on the worksheet for what you think your expenses will look like at retirement.

Now this can be kind of a guess, because who knows exactly what you’ll be spending your money on in retirement. But it does walk you through some things like you will need a place to live, even if it’s not the house you’re in now. Do you plan to move to a different location? Do you want to do some travel or really spend some money on your hobbies?

And the last worksheet pulls it all together and tells you where you stand. Now I did an example of this. I wanted to make sure I understood how it worked, and I made up a hypothetical couple, kind of average earnings, plugged in all the numbers, worked my way through, and got to that last worksheet. And oh my gosh! They had to save another $450 a month, which really seems huge.

So I went back and took out some of their travel money and tinkered with expenses, and I made some progress. But I left all the plans for travel in the expenses, went back and changed just one thing on the very first worksheet,
and had them work one more year. And this made a huge difference. I was really surprised. They only needed to save another $40 a month, which seems pretty doable.

Okay then, switching hears, I wanted to mention just one more publication--really series of publications--we have. If you own your own small business--maybe it’s something you do full time or maybe it’s something you just do evenings and weekends--you may want to save some money that you make--or if you work for a small employer who doesn’t have a plan. And this is really pretty common. Small employers are the least likely to have a retirement savings plan.

We have this publication--and maybe you could let your boss know about it or stick it in his Inbox or her Inbox, circle the ones you think look best--it’s called *Choosing a Retirement Solution for Your Small Business*. And it’s interesting to see that there are some retirement plans -- savings plans -- that are pretty easy to set up. They have very minimal paperwork, and you don’t even have to file anything with the IRS. And in some plans, you don’t have to put money in every year, just the years that you want to or the years that you’ve made a profit.

So there’s also an online tool that goes with the publication that can walk you through some steps to see what plan might be the best for you. And then I just wanted to finish up with a comment I saw. I read a lot of what’s out there and I saw something. The New Zealand government has a pretty interesting Web site trying to get people in New Zealand to save for retirement and for other things.

And their comment was, “Don’t put it in the bottom drawer.” And for me it would not be the bottom drawer, but it might be the bottom of the pile on my dining room table. So if you get looking at these things, you make some
plans, you think, oh, I could save a little more or I could, you know, look into an IRA. If you make that plan, keep it out of the bottom drawer and on top of the pile and just choose some steps you can do.

Thank you very much for your time.

Jane Walstedt: Thanks, Pat, and thanks for the helpful information about EBSA resources.