

U.S. DEPARTMENT OF COMMERCE

Financial Literacy Plan



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Background

In compliance with the Thrift Savings Plan (TSP) Open Elections Act of 2004 (Public Law 108-469), the Office of Personnel Management (OPM) issued a directive that each agency must develop a financial literacy and education plan. This plan describes the Department of Commerce's (DOC) efforts to improve the financial literacy and retirement readiness of all of its employees. The educational and consultative activities are directed at helping employees better understand the importance of savings, retirement planning, the development of an investment strategy, and a healthy lifestyle.

OPM recommends taking a broad holistic approach to retirement education. This approach not only focuses on financial preparation, but also includes a health component that educates employees on staying healthy as long as possible and understanding the aging process. In developing this plan, the DOC creates learning opportunities for employees of all ages and stages of their Federal careers to assist them in understanding Federal benefits; achieving financial security pre- and post-retirement; and helping them attain and keep a healthy, well-balanced lifestyle. Federal benefits and financial planning are essential components; however, the Plan also incorporates a healthy lifestyle component. In creating this plan, the DOC intends to educate and encourage its employees to make sound financial decisions related to retirement, ensure that information is distributed to all offices worldwide, and provide health and wellness information and resources to all employees.

Activities During 2018

The Human Capital Client Services (HCCS), Office of Human Resources Management (OHRM), formerly the Department of Commerce Human Resources Operations Center (DOCHROC), services the following six (6) bureaus: Bureau of Industry and Security (BIS), Economic Development Administration (EDA), International Trade Administration (ITA), Minority Business Development Agency (MBDA), National Telecommunications and Information Administration (NTIA), and the Office of the Secretary (OS). HCCS supports financial literacy by providing counseling to serviced employees on various aspects of financial literacy. For example, employees are provided specific information pertaining to the retirement system for which they are covered: Civil Service Retirement System (CSRS); CSRS-Offset; or Federal Employees Retirement System (FERS), as well as retirement payout projections. Employees are counseled on the importance of contributing to the TSP in retirement planning; however, this is especially emphasized to employees covered under the 3-pronged FERS.

HCCS provides mid-career benefit reviews for its serviced employees which includes estimated calculations for military deposits, temporary service deposits and refund redeposits in order to assist employees with determining the most beneficial option for them regarding these deposits. Employees are counseled on health insurance in retirement, as well as life insurance and the various options for affordable coverage in retirement. Death-in-service family counseling is provided, in which survivor and children benefits are calculated and discussed to provide financial awareness. Post Pre-Retirement Seminar counseling is conducted to provide personalized estimates and one-on-one counseling and clarification. Multiple retirement training

sessions were conducted, both in-person and via webinar, for employees covered by CSRS and FERS. The Department's Employee Assistance Program (EAP) supplemented HCCS activities by sponsoring a seminar on Dealing with the Stress of Retirement Planning. The seminar included such topics as: emergency savings during retirement, impact of pension income on social security, options for TSP accounts in retirement, calculating gross and net pension projections, and increasing retirement income before you retire. In addition, the Office of Policy and Programs (OPP), OHRM sent out numerous all-employee broadcast messages announcing the 2018 Open Season period for Federal Employee Health Benefits, Federal Flexible Spending Accounts and the 2018 TSP and TSP catch-up deferral limits.

The Census Bureau (Census) offers a wide range of classes and seminars in support of financial literacy. This effort is supported by the Human Resources Division (HRD), Talent Development and Management Programs Branch in collaboration with members from the Benefits Counseling and Retirement Branch, and the EAP. Before initiating the Financial Literacy Program, an analysis of the workforce is conducted to ensure topics covered meet the needs of the Census Bureau's workforce.

In 2018, Census offered classroom training, open to employees eligible to retire within 10 years, on Pre-Retirement Planning for both CSRS, CSRS-Offset and FERS. The duration of the training was 3-days total and included such topics as: Mid-Career Planning, TSP, Federal Benefits and Financial Literacy for New FERS Employees, Exploring Benefits Beyond FEHB: Intro to Federal Dental and Vision Insurance, The Value of Life Insurance as a Living Benefit, Social Security, Financial Blunders: Lessons We Never Learn, Smart Money Moves in Your 40s, 50s, 60s and Beyond, Tax Planning, and The Psychology of Money. Additionally, the EAP sponsored classes which included: Creating a Retirement Paycheck, Retirement on Your Terms, College Financial Decision-Making, and Estate Planning. Census also sponsored an annual Benefits Open Season Health Fair for all headquarter employees and a Virtual Benefits Fair for all regional and regional Census center employees. In addition, the HRD, Benefits Counseling Branch, provided retirement estimates and counseling sessions for employees interested in retirement.

The National Oceanic and Atmospheric Administration (NOAA) offers various retirement planning, education, and counseling services to its employees. During 2018, the Office of Human Capital Services (OHCS), formerly the Workforce Management Office (WFMO), sponsored monthly Benefit Service Days, which included topics on: Financial Readiness, Will Preparation, and Short- and Long-Term Disability Coverage. Pre-Retirement Seminars with follow-up one-on-one meetings were also offered to employees located in field offices.

The NOAA, OHCS, Performance Culture and Learning Branch hosts a twice-yearly Retirement Planning Webinar series. This series consists of twelve 90-minute sessions, all of which are recorded for subsequent viewing by the enrolled employees. Certain sessions in the series address the distinct learning and planning needs of specific employee populations, such as those covered by the CSRS, CSRS-Offset, FERS, and military retirement programs. The webinar sessions were offered in two sessions daily to accommodate nation-wide simultaneous real-time access for NOAA employees. Instructors were also available via email and phone to respond to employee's follow-up questions after the webinars. The topics covered in the webinar series

included: Federal Retirement Benefits (Parts I & II), Social Security and Medicare, Federal Insurances, Deposit and Redeposit, Financial Planning (Parts I-III), Tax Planning, Estate Planning (Parts I & II), and Transition to Retirement. A different subject matter expert served as the instructor for each webinar topic. Over 200 employees completed the fall 2018 Webinar Series. In addition, the NOAA, OHCS, Programs Branch provided Work-Life webinars that addressed Financial Literacy, such as Budgeting Basics, Living off of Your Paycheck, Healthy Finances, Identity Theft and Tax Tips. These webinars equipped employees with resources to effectively manage their finances for a lifetime of financial well-being. NOAA's EAP supplemented OHCS activities by providing a monthly newsletter and a webinar on various financial, retirement, health, and wellness issues.

The National Institute of Standards and Technology (NIST) offers a wide range of educational opportunities tools, and counseling services to employees. During 2018, NIST offered 9 Pre-Retirement seminars for CSRS, CSRS-Offset, and FERS employees to include two on-site sessions at the Boulder, CO location with a total of 297 attendees. The target audience for these 2.5-day comprehensive seminars are employees within 5 years of retirement. The purpose of these seminars is to educate employees so they can make informed decisions regarding their Federal benefits and plan for their retirement. The seminars included key topics such as: Federal retirement benefits, Federal insurance programs, TSP and Social Security benefits, as well as an overview/highlights of potential financial and tax considerations, and transitioning from Federal career to retirement.

NIST provided educational opportunities for those employees who were within 10-20 years of retirement. A total of 3 one-and-a-half-day Mid-Career retirement planning courses for FERS employees was held. The courses provided detailed information regarding Federal retirement benefits, Federal insurance programs, TSP and Social Security benefits as well as financial planning such as estate and investment planning. There were 82 employees who attended these courses.

As part of the new employee orientation, employees are informed of the importance of their retirement (three-pronged FERs system), the impact of Social Security, the importance of actively managing their retirement, and the need for financial planning and stewardship.

In addition, NIST offered other popular financial presentations such as: Social Security and Medicare, the TSP for Pre-separation planning, TSP for Early to Mid-Career Employees, and Federal Long-Term Care Insurance.

Although a majority of NIST employees are located in Maryland, the seminars were available via VTC and online to other locations. Participation increased this year due to leveraging communication technology and collaboration with internal and DOC partners. NIST invited the National Technical Information Service (NTIS), who NIST services for benefits/retirement needs, to attend these event. For events offered in Boulder, CO (to include the NIST sponsored Open Season & Wellness fair), NIST also invited its sister bureaus – NOAA and the National Telecommunications and Information Administration (NTIA) to attend these events.

NIST continues to take advantage of other ways to communicate with employees. NIST continues to increase its benefits and retirement “list serve” subscription by automatically opting in new employees. These email blasts provide benefits, retirement, financial and wellness information to NIST and NTIS employees. Furthermore, NIST has a Retirement Financial Education intranet site which contains general and specific career-related information on topics such as networking and engagement, overall health, and wealth. The site also contains estimating tools and calculators.

The United States Patent and Trademark Office (USPTO) has several divisions within their Office of Human Resources (OHR) that offers activities directed at helping employees better understand the importance of savings, retirement planning, the development of an investment strategy, and a healthy lifestyle. The OHR Enterprise Training Division (ETD) hosts retirement and planning seminars targeted at three different audiences: early career, mid-career, and pre-retirement (within five years of retirement). All seminars are held at the USPTO Alexandria, Virginia campus and online via WebEx and cover various topics such as: CSRS, FERS, TSP, financial and investment options, developing a budget, debt management, determining the best time to retire, Social Security eligibility, tax planning, wills, powers of attorney, how to become a financially wise consumer, and psychological aspects of retirement. In addition to these seminars, the USPTO’s New Employee Orientation (NEO) sessions include benefits and retirement-related information, as well as a special 45-minute session dedicated to discussing the TSP and the Federal retirement plans. During 2018, the ETD held 26 financial planning seminars with 538 employees participating, while 561 employees attended NEO sessions.

The OHR Compensation and Benefits Division (CBD), offered an annual health insurance fair and wellness expo, which included participation from financial advisers, and also periodically conducted seminars on other topics, such as: Social Security, long-term care, flexible spending accounts, and EAP lectures on emotional issues related to retirement. Monthly “brown bag lunch” sessions were used to communicate benefits-related information, such as retirement and retirement planning. To supplement these efforts, CBD maintains a special one-stop Wellness Website that includes information on financial wellness as well as health-related wellness, a Retirement Frequently Asked Questions (FAQ) page on the OHR intranet site, and sponsors Worklife4You, a service that provides lectures on financial and retirement planning, service referrals, and special online tools. All seminars are open to USPTO employees and their family members. In 2018, CBD hosted a total of 16 financial events (lectures, workshops, and wellness fair), and more than 5,269 employees were in attendance.

Future Directions

Servicing Human Resources Offices (SHROs) within the DOC are always evaluating possible changes in delivery strategies that might improve customer service. Some offices in the DOC, for example, have decided to change the frequency of their fairs, brown-bag lunch seminars, or benefits expos. Other offices have created forums to address the TSP as well as the Social Security pension system, sometimes through the use of outside speakers. A few offices have looked at blending information and resources related to health, wellness, psychological well-being, and the transition into retirement. Generally, these functions are coordinated with the

existing activities and responsibilities of the various Health Units, Fitness Centers, and contractors who provide EAP services so there is no duplication of efforts or costs. When developing new outreach methods or curricula, many offices have recognized that military veterans require additional counseling to help ensure they have the choice of making a military service deposit for regular Armed Forces duty that is not already the basis of an existing military retirement pension. In addition, these offices create and maintain Internet websites dedicated to informing both employees and human resources practitioners about topics and changes in the benefits' areas of retirement and insurance.

Guidelines for Servicing Human Resources Offices

The DOC has developed the below guidelines to help the SHROs deliver a standard threshold of services to its employees. However, the five SHROs have different degrees of budgetary funding available and varying levels of staff expertise. In general, however, the SHROs conceptualize and package their educational resources by grouping target audiences by their length of tenure with the Federal Government.

Early Career Employees

“Early career employees” are defined for these guidelines as those who have 25 or more years of service to perform before planned retirement (as measured by subtracting the employee’s current age from the age of first eligibility for optional retirement). Typically, this means 5 years or less of creditable Federal service.

Upon initial hire or transfer into the DOC, all early career employees will attend a mandatory benefits session provided by one or more qualified benefits specialist(s) from their SHRO, within the first pay period of employment at the DOC. This goal can be satisfied by incorporating benefits training information into new employee orientation seminars. In addition, the OHRM, OPP continues to examine the feasibility of creating a self-paced training module, using its Intranet-based Commerce Learning Center (CLC), or other types of technologies.

The SHROs provide some benefits information at new employee orientation sessions; however, more in-depth information and guidance is provided during other sessions. Topics addressed include: contributions to the TSP, retirement pension plan contributions by the employee and the Government, and assistance in creating a financial plan using available planning tools. This information stresses the importance of contributing early to the TSP, as opposed to postponing contributions or failing to contribute to the TSP. Employees also receive detailed information on the different types of TSP funds available, as well as the Roth TSP option. Employees are advised to create a financial plan to help ensure adequate savings at the time of retirement. In addition, the Federal Long-Term Care Insurance program is another topic area that employees are made aware of during these sessions.

Since some DOC employees have concurrent or prior military service (either through active duty with the Department of Defense, or with a state’s National Guard), as part of new employee orientation, an appropriate specialist is available to review DD-214s and copies of past military

orders to determine eligibility to make military deposits to buy his/her service years into the Federal pension system. Individual follow-up counseling sessions are provided to new employees in this situation if needed, so that interest charges on military deposits can be minimized.

The DOC recognizes that employees who enter Federal service at a later age will have less time to invest in the TSP, compared to younger employees. Such employees are made aware that they should develop an appropriate investment strategy, balancing risk and return. Benefits specialists typically use computer software to run retirement pension annuity scenarios that can help such decision-making. Benefits specialists are also qualified to review an employee's Official Personnel Folder (OPF) to help determine potential, but unpaid, creditable service deposits, as well as evidence of prior refunds that may require one or more re-deposits. These types of activities give an employee a much more complete picture of their retirement earnings. Employees are also educated on using self-service retirement tools, such as the Federal Ballpark Estimate Calculator offered by OPM, to estimate retirement income under various scenarios. New employee orientation sessions, as well as special benefits seminars for new employees, mention there are private sector resources available, such as state-licensed Certified Financial Planners or Certified Public Accountants, who can be hired to answer financial planning or strategy questions. Such individuals have the correct training, license, and certifications to discuss non-Federal benefits products, such as Individual Retirement Accounts, 401(k)s, common and preferred stocks, U.S. Treasury instruments, and bonds – all of which can serve to diversify and enhance an individual's retirement financial portfolio. Benefits specialists will not provide in-depth information on these topics, but will make new employees aware that this type of information is available through external resources.

There are some insurance programs, such as long-term care, flexible spending accounts for medical or dependent care expenses, and the Federal life insurance program, that either favor or require new employees (particularly those new to the Federal Government) to make enrollment elections. Benefits specialists will continue to provide group and/or individual counseling to help employees make the most appropriate elections given their personal situation and preferences.

Mid-Career Employees

Mid-career employees can be defined as those who expect to work between 10 and 24 years of Federal work before planned retirement. Typically, this means more than 5 years of completed Federal service, up to 20 years of completed Federal service. At this career stage, employees may be balancing family financial responsibilities (such as a mortgage and/or child care expenses) or helping aging parents, as well as planning for future retirement.

Employees in the mid-career phase are encouraged to utilize online tools provided by OPM and/or seek out the opportunity to individually meet with a qualified benefits specialist to analyze his/her current financial plan, or make modifications based upon new calculations or financial needs. During these sessions, an emphasis is placed upon reviewing personnel records to ensure that entrance-on-duty dates, military information, and other employment information

on file are accurate. Mid-career employees also receive guidance on such topics as: optional retirement and creditable service deposits and re-deposits. Because such employees may be balancing child care and/or healthcare expenses, benefits specialists also advise them of their options to participate in the Flexible Spending Account (FSA) program, as well as the Long-Term Care Insurance program. Other benefits topics relevant for individual counseling sessions include future Social Security benefits as well as participation as a pensioner in the Federal group life insurance and health insurance plans. Carrying health insurance and life insurance enrollment into retirement is an appropriate topic that requires some planning, since program participation rules require 5 years of prior consistent enrollment to maintain eligibility into retirement.

Late-Career (Retirement-Ready) Employees

Late-career employees are defined as those employees with less than 10 years before planned retirement. Typically, such employees have completed at least 20 years of creditable Federal service. At this later career stage, employees are encouraged to conduct a final analysis of their existing financial plans to ensure that retirement and post-retirement goals can be met. Benefits specialists provide an important service by assembling information to aid in determining the most advantageous retirement date. The SHROs offer 2-day group seminars twice each year designed for these retirement-ready employees. Topics at this type of seminar include: Federal insurance programs available in retirement (and their enrollment requirements), Social Security benefits, CSRS, CSRS-Offset and FERS pension benefits, Medicare (Parts A, B, C, and D). Other topics, such as tax or estate planning, may be included when instructors with the correct licenses and certifications are available.

Health and Wellness

Health and wellness challenges play an important role in the retirement decision, as well as the quality of life available during retirement. Some retirees struggle financially because of ongoing health issues. To address these types of situations, the SHROs review the current activities provided by their Health Units, Fitness Centers, and EAP providers to determine if there are additional outreach activities that should be completed to improve the communication of health and wellness information. For example, many EAP providers currently offer periodic seminars to provide information on stress management, diet and exercise, and participation in hobbies or volunteer activities.

Education Delivery

The DOC currently has a total of 46,317 employees (as of February 10, 2019). A total of 24,022 employees (51.9 percent) have a duty station within the Washington, D.C. metropolitan area (i.e., Maryland, District of Columbia, Virginia, or West Virginia). The remaining workforce is stationed in regional or field offices. The DOC's headquarters staff makes up approximately 5 percent of the workforce.

Communication about the various available resources is a key component in retirement education delivery. All employees must be aware of the available resources and the importance of the topics covered. In addition, having multiple methods of receiving information and guidance is equally important. Email broadcasts, or other types of announcements sent via e-mail, are used to communicate information.

Convenient and accessible learning opportunities are critical to employees located at bureau or Departmental headquarters, regional offices, and field offices. To maximize learning opportunities, the DOC utilizes various self-paced formats, such as online courses provided through the Intranet-based Commerce Learning Center (CLC). These types of online courses are available to employees worldwide and can be designed to include information on various retirement planning topics. Alternative types of formats, such as group seminars, are also provided to deliver the same or similar information.

The Department maintains several websites that contain various resources and tools that serve to inform employees of important benefits-related information. Website content is typically easy to revise and expand. Websites are also maintained to deliver information about upcoming seminars, training events, and fairs, as well as bureau SHRO contact lists. The overall goal of the DOC's strategy is to make the information accessible to all employees, using available technology (e.g., webinars, teleconferencing, and video conferencing).

Evaluation

Employee feedback will be used to evaluate the effectiveness of the financial literacy program and outreach activities. At each group counseling event, employees will be given a survey to document comments and suggestions for future sessions. Benefits specialists may provide an evaluation form to individual clients following individual counseling sessions, if determined appropriate by the individual SHRO. Typically, surveys are not taken during large special events, such as fairs or expos; however, SHROs may develop and implement new technologies or ideas for these types of events.

Sustainability

The DOC is committed to providing all employees with the information, resources, and tools necessary to plan and prepare for retirement. Through this program, the DOC and its five SHROs strive to meet the needs of our employees at their various career intervals. Retirement planning is a career-long process, and during the duration of a career, financial trends and needs change. Therefore, the DOC will monitor, modify, and adapt existing programs, and develop new programs or outreach methods when applicable, based on changing trends and employees' needs.