MAKING SENSE OF FEDERAL BENEFITS

Specializing in an underserved market

By Joe Innace

Some 2.1 million Americans are employed as federal workers, according to the U.S. Office of Personnel Management (OPM), the independent agency that serves as the Chief Human Resources and Personnel Policy Manager for the Federal Government.

These workers participate in what is known as the Thrift Savings Plan (TSP). TSP is a tax-deferred retirement saving and investment plan. It offers federal employees the same type of savings and tax benefits that many private corporations offer their employees under 401(k) plans. By participating in the TSP, federal employees have the opportunity to save part of their income for retirement, receive matching agency contributions, and reduce their current taxes.

Sounds fairly straightforward, right?

The world of federal benefits can often be very daunting to most civilians employed by the government, according to the experts at Federal Retirement Experts (a wholly-owned subsidiary of Jameson Financial Solutions, Inc). And Harry E. Jameson, president and CEO, ChFEBC, (Chartered Federal Employee Benefits Consultant) should know – it's been his niche for more than 20 years.

"Specialization spells success," Jameson told Advisors Magazine in a recent interview. "We're not trying to be everything to everybody; we specialize. Federal employees have very unique benefits that most do not understand fully, these can be very complicated and confusing."

He added: "We do get referred people who are not federal employees because we can help those people too. It's just that we specifically work in this niche market because it's very underserved."

Jameson explained that federal workers have between $50,000-$2,000,000 in their TSP. The OPM reports the average annual salary for a federal employee is $87,312.

"Most major financial corporations tend to overlook people with modest savings, and therefore they don't get the financial attention or help that they deserve," he said. "We work with people who've been employed by the government for 25, 30 years, or more. Despite their longevity with the federal government, they still don't understand how their federal benefits will impact their retirement."

Jameson's designation as a Ch-

FEBC is similar to that of a Chartered Financial Consultant (ChFC).

"For money-minded consumers who need advanced financial planning services, a chartered financial consultant (ChFC) could be a great place to start," according to a Forbes article published in late March. "While ChFC may be less well known than the certified financial planner (CFP) designation, advisors who earn it actually have even more training designed to enhance their financial planning skills," the same article noted.

His practice also serves as a government vendor. Jameson's 3–4-hour seminars have trained thousands of federal employees, showing precisely how their government benefits work. From those thousands trained, Federal Retirement Experts have brought in hundreds of clients.

"When we first meet with federal employees, we do a federal benefits analysis for them," Jameson said. "It's a highly detailed and personalized retirement report that tends to be very eye-opening. From there we provide customized retirement solutions, of which there is no minimum and that sets us apart."

Client investments they work with can range from as little as \$20,000 to \$1 million or more. Federal employees or not, many people don't understand where they are when it comes to what their retirement will look like, Jameson acknowledged.

"As one of my favorite baseball players, Yogi Berra, once said: 'If you don't know where you're going, by the time you get there, you're lost.' Well, a lot of people don't know where they're going, and they need a plan," Jameson said, adding that most of his clients are looking for sustainable, reliable income—either for a certain time or for the rest of their lives.

"The choices before them might be more income in the early years of retirement, or more in the later years. Or do they want a steady income stream? Others don't need the guaranteed income, but look for significant growth that turns into a legacy they pass on to their families. These are the things we go through in the discovery and

THRIFT SAVINGS PLAN

1. THE BEST RETIREMENT SAVINGS PLAN FOR FEDERAL EMPLOYEES IS THE TSP
2. TSP FUNDS HAVE EXTREMELY LOW FEES
3. FERS AND BLENDED RETIREMENT SYSTEMS MATCH UP TO 5% OF YOUR ANNUAL PAY
4. MAXIMIZE THE TSP TO RECEIVE THE BEST POSSIBLE BENEFITS AT RETIREMENT
5. ONCE YOU SET UP THE ALLOTMENT / ALLOCATION YOU NEVER HAVE TO TOUCH IT AGAIN IF YOU CHOOSE NOT TOO
6. MAXIMUM TSP ALLOCATION IS $19,500 IN **2021**
7. SET IT, AND FORGET IT

educational process. In the end, we help people attain what is most important to them."

Never any Client Fees

Federal Retirement Experts do not charge any fees and always does an in-depth needs analysis for every client and prospective client.

"We're not just promoting products to people," said Jameson. "People should know how advisors are being compensated, and our clients appreciate the fact that they are not paying us a fee. We provide them with a service and our compensation is not coming out of their investments where they start with a negative balance."

According to Forbes, a consultant facilitates the process of a client buying the products the consultant recommends. The consultant then receives a referral payment from the company that sold the product.

Nowadays, it's common for fee-based advisors to disparage their no-fee counterparts. Jameson will have none of that.

"Fiduciary is a fancy word for trust," he said. "Trust is the bedrock of a relationship, especially when it comes to money. We're always looking out for the client which includes making sure the solution fits their circumstances, then we offer the best of what's available."

Integrity and honesty are paramount to Jameson. And he's quick to point out that his firm has always had an A+ rating from the Better Business Bureau, which he says means there has never been a client complaint.

"One of the reasons we've never had a complaint," he explained, "We only utilize safe money strategies for our clients," and he emphasized, "Our client's never lose money due to market risks!"

Jameson said, all of the firm's clients are approaching retirement or are already there. He maintains that people in retirement or close to it, don't have the luxury to recoup losses over long periods of time.

"We don't have a crystal ball — no one does — we have to find strategies for our clients that provide guarantees," Jameson said. "The guarantees we look for have full upside potential, without the possibility of losing any money. Meaning that the money will only continue to grow despite people taking lifetime income or withdrawals out. If TSP is leveraged correctly with the right solutions, people can experience significant growth, then utilize those funds when the need for assisted living, long-term care, or nursing care arises."

Jameson says he's always had a desire to help people, not only to do well in his career. From his earliest years in the business, he's been driven to cultivate win-win relationships.

Specialize. Specialize. Specialize.

This year marks Jameson's 50th anniversary in the financial services industry. He's also turning 71 in 2021, but has no plans to retire because he loves what he does. It wasn't, however, always easy.

In 1969, Jameson was working for General Electric in Los Angeles. But he wanted to get into what he describes as "real" financial services when he was hired by a manager at a large agency in Los Angeles. Later, his manager decided to return to his old company, Modern America, a division of CNA Financial. A year later, that manager called Jameson and offered him a position.

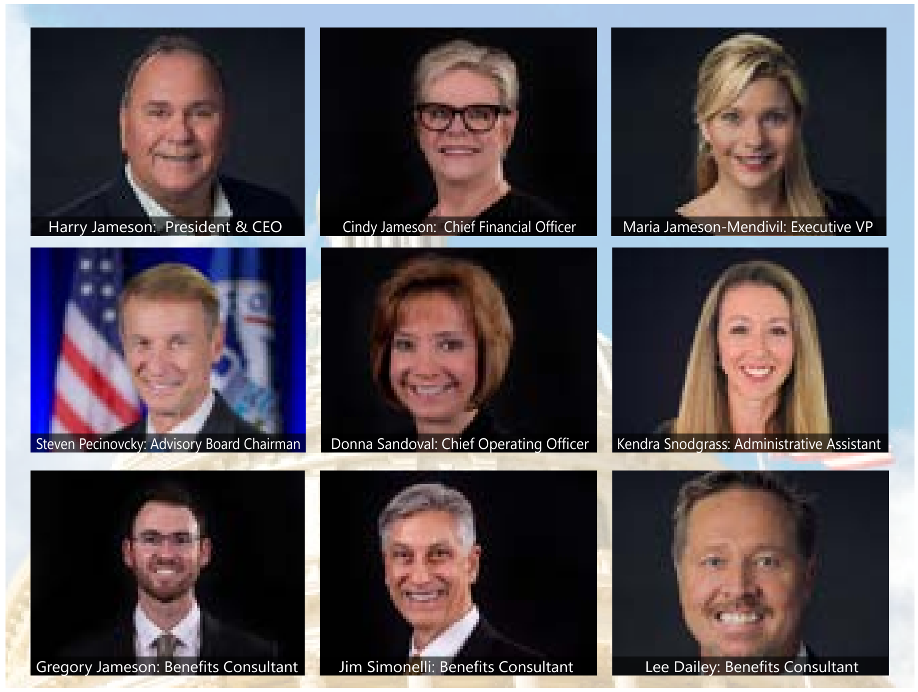
After being trained by his former manager, Jameson got his Securities license (Series 1 at the time) and soon after he went out on his own. At the time CNA was offering a program that had been endorsed by the major oil companies and Jameson was offering this retirement plan to service stations — Mobil, Sunoco, and others.

After his first month, in 1973, Jameson went on to become the top regional retirement plan consultant for that national CNA agency, staying with the company for about six years. After that, he spent 20 years as an institutional bond trader ultimately creating his own brokerage firm. He then became adept at tax shelter annuities (TSAs) and did TSAs for several more years.

"And that's one of the lessons I learned in this business — to specialize, to get very good at something, and to serve your clients with that expertise," Jameson shared.

The TSA work led him to the federal employee market, which he soon embraced as a specialty. After getting his ChFEBC designation, Jameson began marketing himself directly to the local federal employee community in the central Florida area.

That went very well. And the



Harry Jameson: President & CEO
Cindy Jameson: Chief Financial Officer
Maria Jameson-Mendivil: Executive VP
Steven Pecinovcky: Advisory Board Chairman
Donna Sandoval: Chief Operating Officer
Kendra Snodgrass: Administrative Assistant
Gregory Jameson: Benefits Consultant
Jim Simonelli: Benefits Consultant
Lee Dailey: Benefits Consultant

next move was to expand upon that experience through effective marketing and outreach, and hiring additional staff agents to grow the firm. One of those hires is Jameson's daughter. She came from a corporate background that included 10 years of financial services, plus time in the healthcare and IT fields.

"She came to me and said, 'I see what you're doing, I'd like to be a part of it, and also help it grow,'" Jameson recalled. "So I trained her, and she is now our top federal benefits specialist within the company." He continued: "Also, my son — similar story — he wanted to get involved, and he has great people skills. He did his training and is also doing extraordinarily well. Having my daughter and son play major roles in the company assures our clients of ongoing business continuity."

Several others have also joined the firm, some with experience in working with federal employees, and all with proven track records. The business has enjoyed significant growth over the last several years.

"This year, we will probably quadruple our business, which will put us in the highest percentile of financial firms in the country," said Jameson.

But the challenges of running any business are always the same, according to Jameson — you're either growing or you're not; there is no status quo. He reminds himself of that by remembering the saying he has found to be true: "No obstacle or problem can sustain itself against constant thought."

"Our key to success is continually working on our strategic plan which helps us implement and achieve our goals," Jameson said. "We are constantly examining our market and figuring out how to better serve our niche of federal employees."

For more information on Federal Retirement Experts, visit: federalretirementexperts.com

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