

CRC[®] Test Specifications

The *Certified Retirement Counselor*[®] (CRC[®]) certification examination was designed to ensure that all CRC[®] Certificants possess the necessary knowledge and skills to competently fulfill their responsibilities as retirement counseling professionals. In 2008, InFRE worked with close to three hundred industry professionals and current CRC[®] Certificants to update the CRC[®] practice analysis. Following a systematic examination of the practice analysis survey data and a review of relevant literature, InFRE developed the following test specifications. These test specifications are the basis for the new CRC[®] examination and should be well understood by all CRC[®] Candidates before submitting a Request to Schedule CRC[®] Examination Form.

Domains of Practice	% of Exam
Domain 1: Provide Retirement Education	8–10%
Domain 2: Identify Needs, Concerns and Goals in Terms of Quantitative and Qualitative Factors by Career Stage/Phase of Retirement	30–34%
Domain 3: Design Retirement-readiness and Post-retirement Strategies within the Context of the Regulatory, Legal, Operational and Structural Environment	24–28%
Domain 4: Facilitate the Implementation of the Retirement-readiness and Post-retirement Strategies	18–20%
Domain 5: Evaluate, Adjust, and Document Retirement Strategies Across Career Stages/Retirement Phases	12–16%
TOTAL	100%

Domain 1: Provide Retirement Education	8 – 10%
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- Develop/provide targeted educational materials (for example, by career stage, gender, age, life style, jurisdiction, language and educational background/level of understanding) using a variety of media (for example, seminars, web sites, print materials)
- Identify a variety of courses of follow-up/action items to increase the probability of favorable behavior towards retirement (for example, increase savings rate, development social network outside of work)
- Monitor outcomes of educational programs (for example, plan participation, follow-up appointments, workshop participation) and use metrics to measure the effectiveness of those programs

Domain 2: Identify Needs, Concerns and Goals in Terms of Quantitative and Qualitative Factors by Career Stage/Phase of Retirement	30 – 34%
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- Identify clients'/employees' basic retirement-readiness elements, including psycho-social, bio-medical, and geo-financial elements (for example, SS eligibility, life span, employer benefits, tax deferred vehicles) by career stage or retirement phase
- Develop self awareness of retirement-readiness needs in your clients/employees
- Communicate the areas wherein the client/employee needs to assume personal responsibility

- Establish an open climate for in-depth discussion of need and goals focusing on retirement
- Solicit and explore information about client's/employee's desires, habits, perceived challenges to retirement planning, and level of financial awareness
- Identify obstacles, challenges, and role of personal responsibility in the attainment of retirement goals
- Gather personal information and financial data necessary for retirement planning process
- Clarify client's/employee's needs, concerns, financial habits, and goals
- Identify legacy/wealth transfers intentions
- Assess the client's/employee's personal and financial retirement readiness to identify gaps in preparedness (for example, health status, social network, income gaps)
- Facilitate the development of a prioritized set of goals

Domain 3: Design Retirement-readiness and Post-retirement Strategies within the Context of the Regulatory, Legal, Operational and Structural Environment **24 – 28%**

- Make clients/employees aware of the risks of retirement and life-stage challenges to help them form realistic retirement expectations
- Provide overview of retirement landscape to raise awareness of effective retirement planning strategies and methods
- Conduct analysis of geographical and financial retirement readiness in light of needs, concerns, and goals (for example, estimate duration of current assets, housing options)
- Conduct analysis of psychological and social retirement readiness in light of needs, concerns, and goals (for example, purpose in life, creating and maintaining social networks)
- Conduct analysis of biological and medical retirement readiness in light of needs, concerns, and goals (for example, changing healthcare needs, healthy life-style choices)
- Identify investment assets and liabilities as well as additional assets that could be included in planning
- Identify initial target asset allocation
- Identify and evaluate insurance coverages (for example, medical, disability, long-term care, life) given client's/employee's stage of retirement/retirement planning
- Identify various sources of income (for example, lifetime, employment, personal savings, property)
- Identify taxation and fee implications of various accumulation strategies
- Identify taxation implications of various distribution strategies
- Create income distribution strategies in light of needs, concerns, goals, and risks based on retirement needs
- Determine discretionary and essential expenses (for example, budget, spending plan, health benefits)
- Discuss potential risks (for example, economic factors, inflation, longevity, market, quality of life issues) and options for mitigating risks (for example, increasing savings, continuing to work, re-arranging asset allocation)
- Evaluate and prioritize options for closing gaps (for example, income, housing, social structure) in light of client's/employee's needs, concerns, goals, and risks
- Determine risk tolerance and time horizon of clients
- Review and select programs and tools consistent with life stage and needs, concerns, goals, and risks
- Modify/refine target asset allocation, as necessary

Domain 4: Facilitate the Implementation of the Retirement-readiness and Post-retirement Strategies

18 – 20%

- Confirm clients/employees understanding of target dates for life-stage planning
- Recommend review of beneficiary designations for appropriateness and timeliness
- Create a plan to maximize utilization of employer-sponsored benefits and personal plans
- Fund the retirement savings plan
- Select distribution options (for example, systematic withdrawal, immediate annuities, pension-plan options, or combination thereof)
- Confirm that income and asset allocations conform to plan design
- Facilitate the implementation of transition plans to assist clients/employees as they move through life stages/events (for example, from earnings to spending stages, accumulation versus distribution)
- Refer clients/employees to appropriate professionals and/or other resources for implementation of specific plans (for example, estate, tax, insurance, trusts)

Domain 5: Evaluate, Adjust, and Document Retirement Strategies Across Career Stages/Retirement Phases

13 – 15%

- Analyze plan's results/progress based on psycho-social, bio-medical, and geo-financial benchmarks (perform GAP analysis, review changes in health status)
- Document gaps, progress, and/or achievement of goals for the client/employee.
- Evaluate client's/employee's satisfaction with plan, including risk tolerance and basic understanding of the plan
- Update goals and assumptions based on performance against benchmarks and changes in life stage/events
- Document all discussions, recommendations, and changes

Knowledge Required to Perform CRC[®] Tasks

- Basic interpersonal communication styles
- Basic interpersonal communication skills
- Procedures to effectively communicate financial concepts
- Procedures to establish rapport with diverse client groups
- Types of employee benefit plans (for example, flexible benefit plans, corporate benefit plans, executive benefit plans, multiemployer benefit plans, public employee benefit plans-457 plans, 403(b) plans)
- Regulatory changes affecting the retirement planning process
- Fiduciary environment and/or responsibility
- Differences in roles and scope of responsibilities of CRCs[®] in public, private, and Taft-Hartley sectors
- Financial mathematics (for example, time value of money, present/future value of an annuity, compound interest)
- Basic financial principles (inflation, cash management, diversification, allocation, rebalancing, risk-return relationship)
- Portfolio management strategies (for example, strategic, tactical)
- Various budgeting techniques, including cash and debt management (cash flow, static budgeting)
- Adult learning styles and options for presenting information to facilitate transfer of learning
- Basic portfolio terminology (for example, beta, standard deviation, inverse relationship)
- Basic principles of total compensation
- Distribution options and strategies for qualified and non-qualified income
- Beneficiary elections (for example, spousal versus non-spousal)
- Impact of social security, Medicare, and Medicaid on employees in both the public and private sectors
- Retirement plans (for example, DB, DC, hybrid, and IRAs), including scope, limits, major features such as automatic enrollment and default choices
- Health care plans (for examples, HMOs, PPOs, HSAs, HRAs, negotiated health care at retirement, consumer driven health care plans, prescription drug plans), including scope, limits, and major features
- Substantially equal, periodic payments (i.e., annuities), including cost, payout options, and riders
- Retirement timing decisions, including early-, phased-, and forced-retirement
- Retirement income management
- Personal savings options
- Retirement lifestyle and housing options
- Psychological and social challenges of retirement
- Healthy lifestyle choice
- Retirement risk management
- Investment risk management
- Instruments to assess risk
- Instruments to measure goal attainment
- Client's/employee's risk tolerance

- Tools to assess risk tolerance
- Emotional/physical developmental challenges related to aging
- Principles of healthy aging
- The financial/emotional considerations of elder care and the implications to the individual's retirement planning
- Financial considerations related to dependent care
- Principles and techniques of counseling to address clients in various levels of retirement preparedness and at various life stages
- Psycho-social, bio-medical, and geo-financial issues impacting retirement preparation and successful retirement and well being (phases of retirement-early-, mid-, and late retirement)
- Retirement readiness as related to life stages across career stages/retirement phases
- Long-term care-giving options
- Principles of estate planning and wealth transfer, including charitable remainder trusts
- The use of 529 College Savings plan for retirement savings and wealth transfer
- Traditional and alternative investment vehicles
- Reverse mortgages and other methods of utilizing home equity for retirement income
- Insurance products, including life insurance, annuities, survivor benefits, disability, health, property-casualty, long-term health
- The use of life insurance in retirement (for example, pension maximization, coverage of estate tax, funeral expenses)
- Types of fees (for example, plan-related, administrative, investment, insurance, surrender, management, commissions) and their impact on the accumulation of wealth
- Income tax basics (for example, taxable income, deductions, tax credits, penalties, taxation of social security)
- Tax reduction strategies (for example, order of withdrawal, delaying income, tax-free investments)
- Basic economic principles (for example, opportunity costs, business cycles, monetary policies)
- Impact of changes in the current retirement environment (for example, shift from employer to individual responsibility, increased life span, SOX)
- Certification requirements related to provision of retirement-counseling services
- Strengths and weaknesses of available information resources for professionals and clients (Internet, software packages)
- Modeling techniques (for example, Monte Carlo, linear, stochastic)
- Roles and responsibilities and standards to select complementary professionals (for example, attorneys, accountants, financial advisors, health advisors, brokers)
- Techniques to evaluate client satisfaction
- Techniques to evaluate plan progress
- Procedures for making adjustments to the plan
- Requirements for documentation
- Unique retirement needs of diverse population groups
- Wellness programs
- *CRC*[®] Code of Ethics