POST GUILD UNIT
FORUM...
The Washington-Baltimore Newspaper Guild, Local 32035, TNG-CWA
April 2008

Post-Partum Advice from Guild Veterans

As Guild-covered employees consider the pros and cons of leaving The Post, they may want to mull the musings from survivors of previous buyouts. The following is a collection of comments from former Posties, collected in the past couple of weeks by the Guild to help employees as they weigh this potentially life-changing option. (Those who decide to go may want to contact Leslie Walker (walkerleslie@yahoo.com) to join the ever-growing "Post-partums" listserv.)

Here, in no particular order, are some thoughts from those who have gone before us:

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I was in the first group to leave and debated the issue for weeks because I loved working at the Post (residual feeling from decades ago) and loved what I did for a living.

There is a life on the other side and one made better by the Union contracts for pensions and buyouts.

I continue to write but for publications of my choice and on my schedule. I always used to know what day it was and now I don't need to know what day it is. All days are pretty much the same and all are good.

I am free to volunteer for a literacy program, involve myself in a local library and take courses without always being late because of deadline screwups. I am now a Master Gardener. I may run for political office. I am taking classes on fly fishing. I sometimes just get on the road to see something new and am gone a week or more. (No more scheduling vacation time weeks/months ahead)

I read the Post carefully every day (and the NYT) and follow national politics closely. My interests haven't changed.

I can live on less income because I no longer have a long commute or need to buy clothes for the office. On the other hand, I don't eat out often and do not spend money on the theatre or drive into Washington much. I miss those things.

Think carefully about your financial needs. This may not be a great time to get another job if the pension and other sources are not sufficient.

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First thing you should do, before even talking to your supervisor about where you stand, is to update your resume. Go through all your work, especially for the past five years or so, to remind yourself what you have done. Think about the aspects of your work that could transfer to other employment, and pick out good clips should they be needed.

Get a personal e-mail address if you don't have one, and use it for job searches and so forth. Download your contacts from your Post e-mail to your home e-mail.

Some people found it useful to go to a financial planner with the Post buyout paperwork, both to figure out how much they would need to live on now and how far along they were in saving for retirement. (see list below).

Go to the introductory sessions and schedule a meeting with Mike Bahr in HR. He will explain how the whole thing works and can give you a list of your annual salary figures that were used to calculate your pension. There were one or two people in the 2006 buyout who were given the wrong figures at first. Apparently the problem was they had some years under Guild jurisdiction and some years exempt, and the exempt years got lost.

You can postpone taking your pension if you are on the younger side, because it may raise enough to make that option worthwhile. In the 2006 buyout, for example, 54-year-olds got 70% of their age-60 pension, but would get 80% by waiting a year, until age 55.

You are allowed to sign up only once for the Post retiree health insurance plan. That means you can't go on it for a year while looking for work, go off it while you are on another job's health benefits, and then expect to go back on. It might be worthwhile to go on COBRA, even though it could be more expensive, in order to keep the option open to sign up for the retiree plan later.

You can take a rollover of your Post 401-K and just keep it with Vanguard while you are deciding what to do with it. It's one less thing to think about, and there are no tax consequences.

During the 2006 buyout, at least, you were allowed to claim your entire year's worth of pre-tax healthcare spending even though the money had not yet been withheld from your check. So if you signed up to set aside $1,200 but the year was only halfway through when you left, you could still spend the full $1,200 and the company covered it.

The last wave of buyout folks stands ready to help.

The folks contemplating this next round are probably younger than we old farts were, and so they'll be moving on to other jobs. So they may see the lump-sum distribution as a windfall and stick it in an IRA. But I would urge them to at least look at the annuity option. What are the chances that their next job is going to offer a pension? Not great, I would imagine.

When I saw how low my full pension would be after 20 years, I chose to annuitize the lump sum, because the Post annuity was offering an implied interest rate of 7%.

Some others thought me foolish, losing control of that money. In fact, some have said that annuitizing is a very bad financial decision. That's what their financial advisers told them. But mine said she thought it wasn't a bad idea for me. I already had hundreds of thousands in my 401(k) and, psychologically, couldn't bear to touch it, or my other savings, for that matter! Annuitizing gave me a larger amount to live on without touching other money. In my case it added $17,000 a year to the amount my pension would pay out. (It's STILL not enough to live lavishly, believe me.)

One thing to point out, though, is that taking the annuity is betting on yourself to live long enough to use up the whole lump sum. I think (not sure) you can annuitize at a lower rate with a survivor benefit, but as a single person I have to hope I live 13 more years to use up the whole amount (after which the annuity is paid out of the presumed earnings from the lump sum). If I drop dead tomorrow, that money is lost to my family (sister, brother, etc.). Anyway, just a thought: Don't dismiss the annuity option out of hand. People should try to figure out how they feel about money.

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If you have dental coverage, use it as much as possible before leaving.

When the buyout package is distributed to you, be sure to confirm the dates of your service. I was in the guild nearly the entire time I was at the Post, but there was a year or so in the beginning when I was not. Had I not asked what dates were used in the computations, the earlier period would have been overlooked and not included.

If you're thinking of moving or changing banks, consider establishing the new account prior to having pension or other payments begun.

Be prepared for lots of paperwork.

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Here are some Washington area financial advisers (These are advisors who have been helpful as sources for financial reporters, but their listing here does not constitute a personal recommendation from anyone) The important thing is not to deal with someone who is working for commissions but with a fee-for-services advisor.

There are different ways of charging: by the hour, an annual fee or a percent of assets. Many will sit down with you for a initial meeting with no charge

Barry Glassman, Cassaday & Co ... .703-506-8200.

Mary A. Malgoire, the Family Firm ... 301-656-3999

Ms. Marjorie L Fox CFP, (Marjorie, Dan Joss, and Jon Yankee), Fox, Joss & Yankee, LLC
Reston, VA 20190, Phone: (703) 889-1115 • E-mail: mlf@fjyfinancial.com

Christopher Neal Brown CFP - Ivy League Financial Advisors LLC
Rockville, MD 20850
Phone: (301) 258-1300 x 301 • E-mail: cbrown@ivyfa.com

Here is a site that lists advisers who charge by the hour: http://www.garrettplanningnetwork.com/pages/splash/index.htm

This site http://www.sec.gov/investor/brokers has good questions to ask brokers/advisers.

For other planners in the area try www.napfa.org or www.fpanet.org.

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Here's a recommendation for a financial planner, who has been through the buyout process with at least two Post employees, and understands indecision:

Bill Rolser , Pacific West Financial Consultants • (703) 757-8020
10130 Colvin Run Rd. Suite F, Great Falls, Va. 22066-000

For information, contact any of the following members or representatives:

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