

CRC[®] Test Specifications

The *Certified Retirement Counselor*[®] (CRC[®]) certification examination is designed to ensure that all CRC[®] Certificants have the necessary knowledge and skills to competently fulfill their responsibilities as retirement counseling professionals. To ensure that the examination is testing the most up-to-date and relevant concepts, InFRE conducts a detailed practice analysis of the retirement planning profession no less than every five years. The following Test Specifications were developed from the most recent practice analysis completed in December 2013. These Test Specifications contain the domains of practice and associated tasks and knowledge statements which are the basis for the CRC[®] examination.

Domains of Practice	Percent of Exam
Domain 1: Identify Needs, Concerns and Goals in Terms of Quantitative and Qualitative Factors by Career Stage/Phase of Retirement	25-29%
Domain 2: Design Retirement-readiness and Post-retirement Strategies within the Context of the Regulatory, Legal, Operational and Structural Environment	27-31%
Domain 3: Facilitate the Implementation of the Retirement-readiness and Post-retirement Strategies	18-22%
Domain 4: Evaluate, Adjust, and Document Retirement Strategies Across Career Stages/Retirement Phases	14-16%
Domain 5: Provide Education Materials and Programs	8-10%
Total	100%

Domain Related Tasks
<p>Domain 1: Identify Needs, Concerns and Goals in Terms of Quantitative and Qualitative Factors by Career Stage/Phase of Retirement</p> <p>1.1 Establish an open climate for in-depth discussion of needs and goals focusing on retirement.</p> <p>1.2 Solicit and explore information about client's/employee's desires, habits, perceived challenges to retirement planning, and level of financial awareness.</p> <p>1.3 Gather personal information and financial data necessary for the retirement planning process.</p> <p>1.4 Introduce clients/employees to the concepts of basic retirement-readiness elements, including psycho-social, medical, and financial elements by career stage or retirement phase.</p> <p>1.5 Identify and communicate obstacles, challenges, and role of a client's/employee's personal responsibility in the attainment of retirement goals.</p> <p>1.6 Facilitate the development of a prioritized set of retirement goals.</p> <p>1.7 Communicate long term investment strategies for the attainment of retirement goals (for example, dollar cost averaging, compounding interest, asset allocation/rebalancing).</p>

- 1.8 Recognize fraudulent activity and senior protection issues (for example, related to working with other advisors, behaviors of family members, inappropriate use of products) applicable to clients/employees and notify appropriate authorities, if necessary.
- 1.9 Assess the client's/employee's personal and financial retirement readiness in order to identify gaps in preparedness (for example, health status, social network, income gaps)
- 1.10 Assess client's/employee's preparedness for end-of-life care or incapacitation (for example, existence of advanced medical directives, power of attorney, health care proxy)
- 1.11 Confirm and ensure common understanding of client's/employee's needs, concerns, financial habits, and goals.
- 1.12 Identify legacy/wealth transfer intentions and whether appropriate documents exist to satisfy those intentions.

Domain 2: Design Retirement-readiness and Post-retirement Strategies within the Context of the Regulatory, Legal, Operational and Structural Environment

- 2.1 Provide overview of retirement landscape to raise awareness of effective retirement planning strategies and methods.
- 2.2 Create client/employee awareness of the risks of retirement and life-stage challenges to help them form realistic retirement expectations, including inflationary and longevity risks.
- 2.3 Conduct analysis of geographical and financial retirement readiness in light of needs, concerns, and goals (for example, estimate duration of current assets, housing options)
- 2.4 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)
- 2.5 Conduct analysis of health and medical retirement readiness in light of needs, concerns, and goals (for example, changing healthcare needs, healthy life-style choices).
- 2.6 Identify investment assets and liabilities as well as additional assets that could be included in planning.
- 2.7 Identify initial target asset allocation.
- 2.8 Identify and evaluate insurance coverages (for example, medical, disability, long-term care, life, Medicare supplemental policies) given client's/employee's stage of retirement/retirement planning.
- 2.9 Identify sources of lifetime and managed resources to create income.
- 2.10 Determine essential and discretionary expenses to align with lifetime and managed resources respectively.
- 2.11 Create and gather retirement estimates based on age, retirement resources, and other retirement data.
- 2.12 Identify taxation and fee implications of various accumulation and distribution strategies and inform client/employee of net effect of taxes and fees.
- 2.13 Identify and determine the account(s) and products to use for accumulation as well as distribution.
- 2.14 Model income distribution strategies in light of needs, concerns, goals, and risks based on retirement needs
- 2.15 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, reducing retirement spending).
- 2.16 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.
- 2.17 Determine risk tolerance and time horizon of clients/employees.

2.18 Review and select programs and tools consistent with life stage and needs, concerns, goals, and risks.
Domain 3: Facilitate the Implementation of the Retirement-readiness and Post-retirement Strategies
<p>3.1 Confirm clients/employees understanding of target dates for life-stage planning.</p> <p>3.2 Recommend review of beneficiary designations for appropriateness and timeliness.</p> <p>3.3 Encourage client/employee to maximize the utilization of employer-sponsored benefits and personal resources.</p> <p>3.4 Select distribution options (for example, systematic withdrawal, annuities, pension-plan options, or combination thereof)</p> <p>3.5 Create a plan to maximize utilization of Social Security and Medicare benefits.</p> <p>3.6 Confirm that income and asset allocations conform to plan design</p> <p>3.7 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)</p> <p>3.8 Explain resources available (for example, seminars, informational package, plan highlights) to understand workplace retirement plans</p> <p>3.9 Refer clients/employees to appropriate professionals and/or other resources for implementation of specific plans (for example, estate, tax, insurance, trusts)</p>
Domain 4: Evaluate, Adjust, and Document Retirement Strategies Across Career Stages/ Retirement Phases
<p>4.1 Analyze plan's results/progress based on social, medical, and financial considerations.</p> <p>4.2 Discuss gaps, progress, and/or achievement of goals with the client/employee.</p> <p>4.3 Evaluate client's/employee's satisfaction with plan, including risk tolerance and basic understanding of the plan.</p> <p>4.4 Update goals and assumptions based on performance against benchmarks and changes in life stage/events.</p> <p>4.5 Modify and/or rebalance portfolio based on desired asset allocation.</p> <p>4.6 Document all discussions, recommendations, and changes.</p>
Domain 5: Provide Education Materials and Programs
<p>5.1 Develop/provide targeted educational materials (for example, by career stage, country of origin, culture, educational background/level of understanding) using a variety of media (for example, seminars, one-on-one meetings, web sites, print materials, virtual meetings).</p> <p>5.2 Identify a variety of follow-up action items to increase the probability of favorable behavior towards retirement planning (for example, increase savings rate, develop support network outside of work, contact other advisor(s)).</p> <p>5.3 Monitor outcomes of educational programs (for example, plan participation, follow-up appointments, workshop participation) and measure the effectiveness of those programs.</p>

KNOWLEDGE Required to Perform CRC[®] Tasks

1. Basic interpersonal communication styles (passive, aggressive, passive-aggressive, assertive)
2. Basic interpersonal communication skills
3. Basic presentation skills
4. Methods to effectively communicate financial concepts to individuals and groups
5. Adult learning styles
6. Counseling principles and techniques to address client's retirement planning needs across career stages (early, mid and late)
7. Methods to establish rapport with diverse client groups
8. 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)
9. Regulatory changes affecting the retirement planning process
10. Fiduciary environment and/or responsibility, including fiduciary liability that financial professionals incur when giving advice
11. Roles and scope of responsibilities of a retirement counselor in public, private, and Taft-Hartley sectors
12. Financial mathematics (for example, compound interest, time value of money, present/future value of an annuity)
13. Basic financial principles (inflation, cash management, diversification, allocation, rebalancing, risk-return relationship)
14. Asset classes (for example, equities, fixed income, alternatives, money market)
15. Portfolio management strategies (for example, strategic, tactical)
16. Various budgeting techniques, including cash and debt management (for example, cash flow, static budgeting, spending diary)
17. Technology, applications and programs used for analysis, data collection and sharing, and presentations (live and virtual)
18. Available information resources for professionals and clients (for example, websites, software, publications)
19. Basic portfolio terminology (for example, beta, standard deviation, inverse relationship)
20. Basic principles of total compensation
21. Distribution options and strategies for qualified and non-qualified income
22. Beneficiary elections and ramifications (for example, primary, contingent, per stirpes, per capita)
23. Social Security, Medicare, and Medicaid options, and impact on individuals and employees in both the public and private sectors
24. Qualified and non-qualified retirement plans (for example, DB, DC, hybrid, and IRAs), including scope, limits, tax implications, major features such as automatic enrollment and default choices
25. Healthcare plans (for examples, HMOs, PPOs, HSAs, HRAs, consumer driven healthcare plans, prescription drug plans), including scope, limits, and major features
26. Health insurance planning for early retirement
27. Investment products related to both retirement accumulation and distribution phases
28. Pros and cons of various investments within taxable, tax-deferred, and tax-free accounts
29. Retirement timing decisions, including early-, phased-, and forced-retirement
30. Impact of breaks in employment on financial and retirement planning

31. Types of risk during retirement accumulation phase (for example, investment risk, market risk) and how to manage them
32. Types of risks during retirement distribution phase (for example, longevity, inflation) and how to manage them
33. Instruments and tools (for example, Monte Carlo simulations, risk-tolerance questionnaires) to assess various types of risk and risk tolerance
34. Personal non-employer sponsored savings options (for example, savings accounts, money market accounts, CDs)
35. Retirement lifestyle and housing options
36. Psychological and social challenges of retirement
37. Principles of healthy aging
38. The financial/emotional considerations of elder care and the implications to the individual's retirement planning
39. Financial considerations related to dependent care
40. Financial considerations related to changes in family relationships (for example, divorce, returning children/parents)
41. Instruments to measure goal attainment
42. Behavioral finance issues (for example, emotional attachment to investments, loss aversion)
43. Principles of estate planning and wealth transfer, including living trusts, wills, advanced medical directives, and estate tax exclusion amounts
44. The use of college savings plans (for example, 529, Educational Savings Account) for retirement savings and wealth transfer
45. Methods of utilizing home equity for retirement income (for example, reverse mortgages, home equity line of credit)
46. Insurance products, including life insurance, annuities, survivor benefits, disability, health, property-casualty, long-term health
47. Options for funding long-term care (for example, risk transfer/insurance, risk retention/self-insure, family support system)
48. The use of life insurance in retirement (for example, pension maximization, coverage of estate tax, funeral expenses)
49. Types of fees (for example, plan-related, administrative, investment, insurance, surrender, management, commissions) and their impact on the accumulation of wealth
50. Income tax basics (for example, taxable income, deductions, tax credits, penalties, taxation of social security)
51. Early withdrawal rules and hardship withdrawal criteria
52. Tax reduction strategies (for example, order of withdrawal, delaying income, tax-free investments, Net Unrealized Appreciation (NUA))
53. Basic economic principles (for example, opportunity costs, monetary policies)
54. Business and economic cycles and types of assets suitable to economic environment
55. Impact of changes in the current retirement environment (for example, shift from employer to individual responsibility, increased longevity, increases in healthcare costs)
56. Signs of elder abuse and reporting requirements and procedures
57. Modeling and simulation techniques (for example, Monte Carlo, linear, stochastic)
58. Roles and responsibilities and standards to select complementary professionals (for example, attorneys, accountants, financial advisors, health advisors, brokers)
59. Techniques to evaluate client satisfaction

60. Techniques to evaluate plan progress
61. Procedures for monitoring and making adjustments to the plan
62. Requirements for documentation
63. Unique retirement planning needs of diverse population groups
64. Ethical behavior and CRC[®] Code of Ethics