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Frequently Asked Questions

Q: What is Compass Point Retirement Planning?

Compass Point Retirement Planning is a financial advisory firm in Wakefield, Massachusetts, specializing in retirement planning for more than 600 client families. Compass Point Retirement Planning created the TRU™ Method, a proprietary process that uses a mathematically engineered calculation to allow retirees to maximize retirement income without running out.

Q: When was Compass Point Retirement Planning founded?

Compass Point Retirement Planning was founded in 1995 by Michael J. LaBrie and Thomas F. Nee, Jr. They were then joined in 1998 by Martin Plecinoga.

Q: What is the value of client assets currently under Compass Point Retirement Planning's management and stewardship?

Compass Point Retirement Planning has approximately \$460 million assets under management.

Q: Who are Compass Point Retirement Planning's clients?

Compass Point Retirement Planning works with clients of all ages, incomes, backgrounds and walks of life. Typically, new clients are between 50-60 years old, have a 401(k) and/or pension from their employer, would like to retire within the next five years and are concerned about running out of money. Compass Point Retirement Planning helps more than 600 client families stop worrying and start planning for their retirements.

Q: How is Compass Point Retirement Planning different from other financial and retirement planning firms?

Most financial planning and advisory firms focus on helping their clients with the accumulation phase of retirement planning. Compass Point Retirement Planning focuses on navigating clients through the more complex aspect of sustaining or even growing assets while successfully drawing income from their savings. Seeing client families through the retirement journey is rewarding for Compass Point Retirement Planning. The Compass Point Retirement Planning team's priority is to completely understand client families and their finances as they create money maps for retirement paychecks they can count on. Unlike other financial firms where clients have one advisor, at Compass Point Retirement Planning the team of licensed specialist advisors works as one unit to serve client families, bringing expertise in different areas together to help clients live an optimal lifestyle throughout retirement without running out of money.

Q: How does Compass Point Retirement Planning offer the most up-to-date method for creating a steady, reliable retirement paycheck?

Compass Point Retirement Planning has created a contemporary approach to retirement planning that aims to solve the problem with the standard retirement withdrawal strategy based on what is called the “4% Rule.” The TRU Method, Compass Point Retirement Planning’s proprietary process, is mathematically engineered to calculate customized withdrawal rates that make the most sense for retirees wanting a steady retirement paycheck.

Q: What exactly is the 4% Rule and why is it frequently used in retirement planning?

The 4% Rule recommends that retirees withdraw 4% of whatever their account balance happens to be at the time of retirement, taken in 12 monthly installments for the first year. Then every year thereafter, it recommends retirees maintain this same income level, adjusting only for changes in the cost of living (inflation) as measured by the U.S. Bureau of Labor Statistics.

Q: What are the major reasons the 4% Rule is a flawed tool?

1. The 4% Rule was created in 1994 based on historical testing, but failed to consider realistic investor costs.
2. The 4% Rule assumes steady, inflation-adjusted income from an annually rebalanced U.S. equity-weighted portfolio of stocks and bonds, without accounting for differences in investor spending patterns or variation in investment selection.
3. The 4% Rule presumes that the constantly fluctuating portfolio balance is correctly priced on any given day.

Q: What are the potential impacts of the 4% Rule’s shortcomings?

By starting with an unstable or mis-priced basis for the practical value of the portfolio balance, a retiree could grossly overestimate or underestimate the income potential of their particular investment mix. The 4% withdrawal percentage is unlikely to be properly aligned to the retiree’s real-world circumstances. This can lead to downside failures or panic as the retiree tries to save themselves from premature depletion of the portfolio, or upside failures where the retiree misses out on the lifestyle they could have safely afforded.

Q: What does Compass Point Retirement Planning offer to avoid the problems of the 4% Rule?

The TRU Method is Compass Point Retirement Planning’s patent-pending, proprietary, mathematically engineered process to better gauge optimal and steady retirement paycheck levels over a person’s lifetime. The TRU Method first identifies the ValueGap error on a given retirement date, then mathematically eliminates or cancels this error. Using lessons of history to more precisely engineer a maximized yet sustainable retirement income projection that reflects changing market rates and economic factors at retirement, the TRU Method aims to provide a solution to the ValueGap, hoping to eliminate downside failures that can result in premature depletion of retirement savings and mitigate upside failures that result in a retiree unnecessarily missing out on the lifestyle they could have safely afforded.

Q: Who created the TRU Method?

The patent-pending TRU Method was created by Michael LaBrie, AAMS, AIF, RMA, of Compass Point Retirement Planning in Wakefield, MA. LaBrie used his background in engineering to isolate the ValueGap problem and create the proprietary, mathematically engineered solution for resolving it. Aimed at gauging the optimal retirement “paycheck” from invested savings, LaBrie’s calculation became the foundation of the TRU Method.

Q: Why is the TRU Method today's best way to create a retirement paycheck you can count on?

The TRU Method aims to offer the most up-to-date and dependable solution to optimizing your regular paycheck so you don't have to worry about running out of money or missing out on your retirement dreams.

Q: Will Compass Point Retirement Planning help me save for retirement while I'm still working?

Yes, the TRU Method can help retirees accumulate retirement savings.

Q: Why do I need a retirement planner?

Upcoming retirees are often kept awake by questions like, "Can I afford to retire?" "How do I best invest the money I've saved?" and "What's the most I can take safely from my investments without running out?" The last question on its own may determine financial success or failure in retirement: spending too much could mean running out of money but spending too little could mean not living as well as you could have.

A good retirement planner helps clients determine their retirement budget and create a stable paycheck to meet their needs, wants and wishes for at least 30 years of retirement.

Q: I'm already retired. Is it too late to talk to a retirement planner?

It is almost never too late. Compass Point Retirement Planning works with individuals approaching or in retirement, but to determine if we are the right retirement planner for you, we'll want to meet to understand your family, finances and retirement goals.

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