



Retirement Management AnalystSM Designation Frequently Asked Questions

WHAT IS THE RMASM

1. What is the RMASM Designation?

The RMASM designation is a rigorous educational and ethics training curriculum that teaches financial advisors the RIIA Advisory Process to provide successful retirement income solutions to clients. The RMASM designation is focused specifically on key concepts and practical applications of retirement income planning and management, as well as the construction of portfolios to support retirement income. It does not cover the basics of retirement rules (IRAs, employer plans, etc.) or investments and other retirement income products and services that are covered in many other traditional venues.

2. What is The RIIA Advisory Process?

The Body of Knowledge for RIIA's Retirement Management Analyst (RMASM) Designation—How to Benefit From "The View Across the Silos": From Investment Management to Retirement Income and Retirement Management reminds those of us from the world of investment management that we do not create financial portfolios for their own sake. As clients age, the purpose of the portfolio is increasingly to provide retirement income. The RIIA Advisory Process is designed to provide a classification system for retirement management in general and for specific topics, products, processes and solutions related to retirement income.

Based on the on-going work of RIIA's Education Committee, the primary goal is to clarify the role that financial advisors and their clients play in the creation of retirement income. In the accumulation framework, the advisor's role is to manage probabilistic expectations that the market may or may not fulfill. In the retirement framework, the advisor's role is to pursue outcomes, i.e. **to build a floor and create upside potential**. We assume that during retirement clients need a sufficient level of income ("a floor") from guaranteed or low-risk sources, as well as the potential for growth through exposure to riskier assets (the "upside").

3. What organization issues the Retirement Management AnalystSM (RMASM) designation?

The Retirement Income Industry Association (RIIA). Founded in 2006 by leading companies, advisors and academics, RIIA is a not-for-profit organization with national and international members that strives to address the challenges facing the dramatically changing retirement income landscape. RIIA's mission is to bring the retirement income industry (commercially, academically and through affiliated associations) together with a "View Across Silos" to help develop the products, processes, education, and advisory services Americans need to create a secure retirement.

Because RIIA members span the entire industry, they create a forum for sharing the freshest outlooks, the most modern thinking, the latest research and education, and the newest product development within the realm of retirement income. This unique *View Across the Silos* provides investors and advisors with unbiased perspectives on key retirement income issues.

4. What are the differences between the Certified Income Specialist, Certified Wealth Specialist, the CFP®, ChFC and other advanced designations and the RMASM?

The RMASM designation is the only designation to focus specifically on providing retirement income planning and management starting with the broad context of understanding the client's needs, human capital, social capital, as well as financial capital.

The RMASM curriculum is centered around structuring a plan built on the solid foundation of “first build a floor and then expose to upside potential.” It's holistic, taking into account establishing a floor for secure retirement income, but also providing inflation protection and potential growth.

In contrast to an investment management professional, for example, a Retirement Management Professional through the RMASM designation demonstrates competence and services clients by:

- Understanding and helping plan their Human Capital.
- Understanding and helping plan their Social Capital.
- Understanding and helping plan their Financial Capital using lifecycle management and risk management techniques, not just asset allocation and other investment management techniques.
- Having a clearly stated guiding principle and goal of “First Build a Floor, Then Expose to Upside”.

In addition, because of RIIA's unique *View Across the Silos*, the RMASM program addresses various ways of creating the floor (which of course considers pensions and social security) that may already form a smaller or larger portion of the needed floor, rather than just a single approach. One approach is the “engineering approach” based on Mike Zwecher's book *Retirement Portfolios: Theory, Construction and Management*. The other required reading is *RIIA's RMASM BOK*, a book co-authored by Mike Zwecher and François Gadenne. These books and the RMASM curriculum bring together the best thinking from the RIIA members, academic and other advisors to break new ground in providing reliable retirement income solutions, that break from the conventional “accumulation” mentality applied to retirement income.

5. What kind of continuing education and re-certification is required to maintain the designation?

RMASM certificate holders must be and maintain at least an Individual Membership in RIIA (\$500 annually).

RMAs must have no fines or sanctions from practicing in the financial services field by any state or federal government or regulatory authority, or by any industry self-regulatory body or by any employer.

Twenty hours of continuing education annually are required. The core continuing education requirement (10 mandatory hours) is to stay current on the expanding body of knowledge (BOK) as updated for RMASM certificate-holders through the [Retirement Management Journal](#). Additionally, the remaining 10 hours

of continuing education credits may be received by attending some combination of designated continuing education sessions at RIIA's Fall and Spring Conferences, and attending the conferences themselves. Credit is also awarded for participating in designated RIIA webinars held frequently throughout the year.

RMASM certificate holders will be required to self-certify annually based on the date that they passed the RMASM exam that they have completed the required study of the expanding BOK through materials found in the *Retirement Management Journal* plus attendance at designated sessions at RIIA meetings and/or through RIIA's webinar series. RMASM certificate holders are also expected to continue to be in compliance with RIIA's code of ethics.

6. Is the Retirement Management Program approved by any other programs for continuing education?

As of September 2011, the Retirement Management Program at Boston University's Center for Professional Education has been approved by the Massachusetts Division of Insurance for 23 CE credit hours. They are working on getting approved in other states.

7. Have any financial services organizations allowed the RMASM designation to be used on marketing materials and in client communications?

One of the nation's leading diversified financial services companies and the largest independent broker/dealers, LPL, has approved the use of the RMASM designation on advisors' business cards and other marketing material. In addition, Nationwide Insurance, Bennington Asset Management, and SII Investments, Inc. have approved use of the designation, further reinforcing that the RMA is truly a cross-silo designation. We are actively working with several other organizations that they offer similar approval for use in marketing and advertising.

As long as RMASM certificate holders have permission from their affiliated financial services organization or other appropriate supervisory body, they have RIIA's permission to use the RMASM designation logo and use of the wording in their marketing and advertising materials.

8. Is RIIA accredited by the American National Standards Institute, the National Commission for Certifying Agencies or an organization that is on the US Department of Education's list entitled "Accrediting Agencies Recognized for Title IV Purposes"?

RIIA has researched accreditation including the ones listed. There are many accrediting bodies and in our evaluation few offer real credibility. Those that are well recognized require a critical mass of designations (e.g. 500) before you can apply for accreditation. Our approach is to move forward with the RMASM program and reevaluate the decision to apply for accreditation as we gain critical mass.

BENEFITS

9. How do financial advisors benefit from the RMASM designation?

Financial Advisors who earn the RMASM certification show their clients and prospective clients their commitment to providing the best possible guidance in retirement income planning and management. The RMASM certification is the only one across the industry to focus specifically on providing retirement income planning and management centered on structuring a plan built on the solid foundation of “first build a floor and then expose to upside potential.” It’s a holistic advisory process, which takes into account establishing a floor for secure retirement income, but also providing inflation protection and potential growth.

RMASM certificate-holders are better educated on retirement income issues, challenges, trends and solutions than other advisors. With this advanced education, you’ll be able to attract additional clients, boost your productivity, and expand your practice successfully in the retirement income planning sector.

10. What are the benefits to RIIA membership if I’m an RMASM?

As an RMASM you will receive valuable benefits (see our membership section on the RIIA website www.riia-usa.org) including discounts on RIIA sponsored research studies, a complimentary pass to the RIIA Fall Conference which offers access to RMASM continuing education sessions, access to RIIA’s monthly webinar series, and discounted pricing to RIIA’s Spring Conference which also offers continuing education sessions.

- Free subscription to the PDF version of the new **Retirement Management Journal (RMJ)** designed specifically to help keep you current on continuing education requirements.
- Eligibility to join the Practitioner Peer Review Committee to review articles for the RMJ.

11. How is the designation going to be marketed to the public and to what type of audience?

The amount and form of public marketing is still evolving. We believe that as more advisors and firms adopt the designation and these developments are covered in the press, public awareness will increase and it will become a significant credential and differentiator. RIIA may also develop specific programs to raise consumer awareness.

A list of RMASM certificate holders in good standing is available to the public on our website.

COMPLIANCE

12. Does the issuing organization have an investor complaint process?

Information about the RMASM curriculum and designation is included on the RIIA website, riia-usa.org. Consumers and advisors can always reach us on any matter, including complaints at staff@riia-usa.org.

RIIA is in the process of developing a new section on the RIIA website for consumers with information about how to find an RMASM certificate-holder and what they should expect from an advisor holding an RMASM certificate. This will also include specific information on consumer protection, including presenting issues involving RMAs and the RIIA process for reviewing these issues.

Should RIIA determine that the RMASM has not acted consistently with the RIIA code of conduct or not demonstrated advice consistent with the RIIA principles as outlined in the *RIIA Body of Knowledge*, RIIA reserves the right to discipline the RMASM, including possible revocation of the advisor's RMASM designation.

This consumer protection section of the site will provide consumers with helpful information about the types of issues that RIIA can review and assist with, the extent of our authority, and a brief form to complete with the nature of the issue. All issues will be given prompt and serious attention. In addition, we will give helpful information about the types of complaints that should more appropriately be referred to the relevant regulating bodies, such as FINRA, the SEC or state insurance department. We anticipate that this enhanced consumer information section of our website will be fully implemented early Q1 2012.

In the meantime, consumers and advisors can always reach us at staff@riia-usa.org.

13. Does the issuing organization have a public disciplinary process?

RMASM candidates are required to self-certify compliance with RIIA's standards of conduct when they enroll in the RMASM program and annually thereafter. RIIA closely monitors any issues or complaints and takes appropriate actions, which could include revoking the designation. It should be noted that the extent of our authority is limited to the use of the RMASM designation. The advisor is subject to SEC, FINRA, State Insurance and Securities regulators, as appropriate.

14. Can an investor check the status of financial advisors with this designation online?

The public portion of the website dedicated to the RMASM program is continuing to evolve. Currently there is list of RMA's in good standing, dates the RMA designation was awarded, a method to find an RMA by location, and contact information for compliance related issues. Eventually any former RMASM certificate holders whose designation has been revoked including the reason why will also be available to the public.

PREREQUISITES AND COURSE OF STUDY

15. What prerequisites or experience are required to obtain this designation?

Candidates for the RMASM examination are accepted on the basis of prior education, experience, and ethics requirements. The RMASM designation is an advanced designation focused specifically on the issues of retirement income planning and retirement management. It is assumed that candidates already have a solid understanding of basic retirement planning and investment principles. In general, RMASM candidates have demonstrated knowledge and experience in their practical application.

Typically, we would look for at least three (3) years' experience as a financial advisor working with clients broadly on retirement and non-retirement portfolios, or comparable experience in the financial services industry directly involved in the retirement and investments business. Holding various FINRA registrations, e.g. series 7, 24, 63, 65, or 66, as well as other designations, e.g. CFA, CFP®, etc. will all be considered as evidence of prerequisite knowledge.

16. What are the other requirements and fees to sit for the RMASM exam?

- RMASM candidates must be (and maintain) at least an Individual Membership in RIIA (\$500 annually).
- Successful completion (at least an 80% passing grade) of a RIIA Approved Education Program (refer to pricing for the specific program).
- Required texts as relevant to the course work.
- An examination fee at the time the RMASM candidate registers to take the exam (\$250/one-time fee). The exam is administered by RIIA.
- The candidate must have no fines or sanctions from practicing in the financial services field by any state or federal government or regulatory authority, or by any industry self-regulatory body or by any employer.

17. What education programs are RIIA Approved?

One of the requirements to sit for the exam is completion, with at least an 80% passing grade, of a RIIA approved course of study. The following programs are currently approved by RIIA for providing the pre-requisite course of study:

Retirement Management Program at Boston University's Center for Professional Education (BUCPE). The BUCPE program is a 5 week interactive web-based curriculum offering the flexibility to take the class when and where you want within the semester dates. The cost is \$1,295. Contact BUCPE directly for scheduling and more information: 1-800-329-4996, or <http://professional.bu.edu/programs/retirement-management/>.

Texas Tech University offers a 5-day in-class format that includes lectures and lab assignments. The class is offered in Lubbock, TX on the TTU campus and runs Monday morning through Friday with the course exam on Saturday morning. The cost is \$1,975 (includes hotel Sunday - Friday nights). For more information, contact Michael Finke, Associate Professor and Director of the Personal Financial Planning PhD program, michael.finke@ttu.edu.

18. What are the major areas of study for the RMASM designation?

Building comprehensive portfolios and plans that have the following features:

- Traditional wealth management coupled with mitigation of the lifestyle risks specifically related to retirement and aging, and
- Conformance to emerging ethical standards and business best practices.

Building the plan to mitigate risks	Mastering the advisory process
<p>Objective is to learn to create complete plans for retirement income that:</p> <ul style="list-style-type: none"> • Assures the client a floor of retirement income • Provides appropriate exposure to upside potential • Is based on each client's unique goals and circumstances 	<p>Using a simple "hub and spoke" metaphor, the client household is at the center and the process looks at:</p> <ul style="list-style-type: none"> • The household balance sheet • Creating a life-cycle profile • Assessing retirement risks • Risk management allocation • Choosing the right products <p>The objective is to expand the focus from traditional "Financial Capital" to now include Human Capital and Social Capital.</p>

Additional areas of study are:

- Working with the household-level Human Capital / Social Capital / Financial Capital Risk Profile client information to determine the portion of the portfolio that should go to flooring.
- Traditional accumulation approaches fit in the process.
- New engineering and economic approaches to building flooring and upside portfolios.
- Specific products and implementation/production issues.
- Ethical standards and best practices of retirement income.

The RMASM Body of Knowledge and text book include the diversity of perspectives from across every "silo" in the financial industry including insurance, investment, advisory, public policy and academic worlds.

19. Who is RIIA's RMASM BOK written for and what value will I find in it?

Financial professionals, including asset managers, licensed agents and representatives of broker/dealers, registered investment advisors and certified financial advisors of all kinds can expect this book to help them:

- Organize their thoughts about their clients' financial situations.
- Reach conclusions about their clients' retirement income needs.
- Recommend an appropriate retirement income plan.
- Explain why the plan makes sense.
- Implement the plan by changing the clients' asset allocations or enabling them to purchase new products.

20. What are the required materials and how do I obtain?

- **RIIA's RMASM BOK** (*The Body of Knowledge for RIIA's Retirement Management Analyst (RMASM) Designation—How to Benefit From "The View Across the Silos": From Investment Management to Retirement Income and Retirement Management*) (retail price \$150)

Published by RIIA, order through staff@riia-usa.org. Students enrolled in an approved course pricing: \$95 includes shipping.



- **Retirement Portfolios: Theory, Construction, and Management** by Michael Zwecher (retail \$80), Workbook (optional, retail \$39.95). Available on retail or your education program sites.

21. What do I need to know prior to reading the required text?

The authors assume that readers of this book already understand:

- The concepts of present value, future value, compound interest and valuation of assets by discounting future cash flows.
- The risky asset classes, including stocks and bonds.
- The principles (but not necessarily the mathematics) of Markowitz Optimization, the Efficient Frontier and Modern Portfolio Theory.
- The major types of investment and retirement accounts (e.g. defined benefit, defined contribution, IRAs, taxable accounts, etc.), products (e.g. mutual funds, annuities, CDs, etc.) and the regulations or laws that govern them.

We do **not** assume that all readers will be familiar with:

- The Consumption to Financial Capital ratio.
- Household asset/liability matching.
- Risk aversion as opposed to risk tolerance.
- Consumption Smoothing.
- Selecting the appropriate mix between flooring and upside portfolios.
- Risk pooling techniques including mortality credits.
- Risk transference techniques.
- Selecting the appropriate mix or risk management techniques for both the flooring and the upside portfolios.
- Building client specific Flooring Portfolios.

THE EXAM

22. How long do I have before I need to sit for the exam?

After successful completion of an approved educational program, you have up to a year to sit for the exam.

23. How long does it take to take the exam?

The exam usually takes between three (3) and four (4) hours to complete. Four (4) hours is the maximum time allowed.

24. How and when is the exam administered?

RIIA provides two proctored RMA examinations each year in conjunction with its spring (March) and fall (October) conferences. In addition, candidates who are unable to make the conferences may have their exams proctored locally by a proctor of their choosing. Proctors must be 21 years of age or older, and not related to or have a business affiliation with the test taker (“business affiliation” includes employment with same employer as the test taker or any other business relationship between the proctor and test taker).

There are several exam windows set throughout the year for locally proctored exams. They are usually scheduled within 6 weeks of approved courses end dates to allow for grades to be received and study for the exam.

25. If calculations will be required, can a HP 12c or another "CFP®" approved financial calculator be used?

An HP 12c or similar calculator that performs basic time value of money computations is allowed. Computers or other types of programmable calculators would not be helpful or allowed.

Candidates do not have access to books, notes, or computers during the exam.

26. How long does it take to determine if a candidate passed the exam?

The exams are typically graded and results announced within 30 days of the examination.

27. What happens if I don't pass the exam?

You will have an opportunity to re-take the exam during the next exam cycle. You can retake the exam up to two times within a year of completion of an approved education course. If you haven't passed by the third attempt you'll be required to retake an approved course. We reserve the right to charge the exam fee for any retakes.

28. What types of questions are on the exam?

The exam is made up of 132 multiple-choice questions. Future exams may include one or more essay questions focused on a case study, giving the candidate the opportunity to show how the knowledge would be applied in an actual client setting.

29. Is the exam geared at a conceptual level or a practical (i.e. actual calculations) level?

There will be questions addressing both concepts and the practical application of those concepts, with the focus being on the practical application.

30. Will the formulas contained in Michael Zwecher's *Retirement Portfolio* be provided?

Candidates should have a full working knowledge of basic time value of money and their related formulas. Should there be questions on the exam that require the use of one of the more complex formulas in the text, that formula will be provided.

31. How much emphases on the suggested and optional reading material versus required reading will there be?

The exam questions draw from concepts covered in the required reading only. If an approved education program does not cover certain chapters in the required reading it is still the responsibility of the RMASM candidate to review all chapters in the required reading.

While RMASM candidates are not tested specifically on the optional or suggested reading, it's expected that these materials may be helpful to candidates in gaining a deeper understanding and applying those concepts. There are no questions that test knowledge that is contained only in the optional readings and not in the required readings.

32. Are there practice exams or sample questions available?

In addition to practice exam questions included in the *RIIA RMASM BOK (starting with the 4th edition)*, there is an interactive learning tool and retirement income planner made available to candidates, at no charge, at least 30 days before the exam, called the *RMASM Teaching Software Platform (TSP)*. This tool serves to reinforce the concepts and to help the candidate learn and practice the practical application of those concepts to client scenarios. Use of the tool in the approved education program is at the discretion on the sponsoring educational institution and the instructors. The TSP is not available to candidates after they pass the exam. Access to the *RMASM Teaching Software Platform (TSP)*, as well as, to the professional, commercial software, *The Retirement Income Management Planning Software Platform*, based on the TSP must be addressed directly with [HealthView Services, Inc.](mailto:dmcgrath@hvsfinancial.com) by contacting Dan McGrath, dmcgrath@hvsfinancial.com, or Ron Mastrogiovanni, rmastro@healthviewservices.com.

33. If the exam contains essay questions, how will the grading criteria be established?

There is a panel of experts, including the authors of the two required readings, François Gadenne and Michael Zwecher, who review and grade the essay questions. They look for the candidate to demonstrate mastery of key concepts covered in those readings and the ability of the advisor to apply them to a practical scenario.

LOGO USE

34. What is the RIIA Logo Trademark Use Policy?

Members may use the RIIA logo to identify themselves as members in the following manner:

- “A [RIIA logo] [Class of Membership] Member”.

Examples:

- "A RIIA Individual Member"
- "A RIIA Regular Institutional Member" or "A RIIA Regular Member"
- "A RIIA Associate Institutional Member" or "A RIIA Associate Member"

Any other use requires the specific written authorization of RIIA.

Members may not alter the logo. The logo must be the same color as provided by RIIA or black and white.

Members may not use the RIIA logo for their own promotional or endorsement purposes whatsoever, directly or indirectly, without the specific written authorization of RIIA.

Members acknowledge that RIIA is the sole and exclusive owner of all rights, title and interest in and to the marks and the associated goodwill.

Members will not contest the ownership or validity of the marks.

Members will not, and will not cause or permit any other person or entity to, do anything that may tend to dilute, confuse or lessen the significance of the trademarked RIIA logo.

Members will report promptly to the RIIA Executive Director any breach of this policy (intentional or otherwise) or other violation of RIIA’s rights in and to the RIIA logo of which it becomes aware.

35. What is the RMASM Designation Use Policy?

The RMASM is a certification mark that designates a person as having successfully completed the RMASM education, experience and ethics requirements. A successful RMASM applicant, an RMASM certificate holder, may display the designation after his/her name Mary Smith, RMASM. Please note the following:

A certificate holder may not alter the designation. The designation must be displayed in the same color as provided by RIIA or in black and white.

A certificate holder may not use the RMASM logo for his/her own promotional or endorsement purposes whatsoever, directly or indirectly, without the specific written authorization of RIIA.

A certificate holder acknowledges that RIIA is the sole and exclusive owner of all rights, title and interest in and to the RMASM logo and the associated goodwill.

A certificate holder will not contest the ownership or validity of the logo.

A certificate holder will not, and will not cause or permit any other person or entity to, do anything that may tend to dilute, confuse or lessen the significance of the RMASM logo.

A certificate holder will report promptly to the RIIA Executive Director any breach of this policy (intentional or otherwise) or other violation of RIIA's rights in and to the RMASM logo of which it becomes aware.

A certificate holder may lose his/her privilege to use the designation if he/she fails to meet ongoing certification requirements (e.g. continuing education credits) or is the subject of disciplinary action.

Content

1. What is the RMA SM Designation?	1
2. What is The RIIA Advisory Process?.....	1
3. What organization issues the Retirement Management Analyst SM (RMA SM) designation?.....	1
4. What are the differences between the Certified Income Specialist, Certified Wealth Specialist, the CFP®, ChFC and other advanced designations and the RMA SM ?	2
5. What kind of continuing education and re-certification is required to maintain the designation?.....	2
6. Is the Retirement Management Program approved by any other programs for continuing education? 3	
7. Have any financial services organizations allowed the RMA SM designation to be used on marketing materials and in client communications?	3
8. Is RIIA accredited by the American National Standards Institute, the National Commission for Certifying Agencies or an organization that is on the US Department of Education’s list entitled “Accrediting Agencies Recognized for Title IV Purposes”?	3
9. How do financial advisors benefit from the RMA SM designation?.....	4
10. What are the benefits to RIIA membership if I’m an RMA SM ?.....	4
11. How is the designation going to be marketed to the public and to what type of audience?	4
12. Does the issuing organization have an investor complaint process?	5
13. Does the issuing organization have a public disciplinary process?	5
14. Can an investor check the status of financial advisors with this designation online?.....	5
15. What prerequisites or experience are required to obtain this designation?.....	6
16. What are the other requirements and fees to sit for the RMA SM exam?	6
17. What education programs are RIIA Approved?.....	6
18. What are the major areas of study for the RMA SM designation?.....	7
19. Who is RIIA's RMA SM BOK written for and what value will I find in it?	7
20. What are the required materials and how do I obtain?.....	8
21. What do I need to know prior to reading the required text?	8
22. How long do I have before I need to sit for the exam?	9
23. How long does it take to take the exam?	9
24. How and when is the exam administered?.....	9
25. If calculations will be required, can a HP 12c or another "CFP®" approved financial calculator be used? 9	
26. How long does it take to determine if a candidate passed the exam?	9
27. What happens if I don’t pass the exam?	9
28. What types of questions are on the exam?	9

29. Is the exam geared at a conceptual level or a practical (i.e. actual calculations) level? 10

30. Will the formulas contained in Michael Zwecher’s *Retirement Portfolio* be provided? 10

31. How much emphasizes on the suggested and optional reading material versus required reading will there be? 10

32. Are there practice exams or sample questions available? 10

33. If the exam contains essay questions, how will the grading criteria be established? 10

34. What is the RIIA Logo Trademark Use Policy? 11

35. What is the RMASM Designation Use Policy? 11