



KNPN

Kansas New Practitioners Network

An affiliate of **KPhA** 

Graduation Checklist: 2021 Edition

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The **Graduation Checklist: 2021 Edition and information contained herein is not an endorsement, recommendation, or approval of cited organizations and/or services by the KU School of Pharmacy or any other organization. The opinions expressed within the document are strictly those of the KNP Executive Committee at the time of writing.***

Section 1: Boards/Licensure/Certifications

If you have previously taken the PCOA you should already have created a NABP e-profile and will use this account when registering for the exam.

If your name has changed since registering for the exam, you must request an e-Profile name change. Relevant notarized form(s) and legal documentation must be submitted to NABP at least five business days prior to your examination. If you fail to meet this requirement you may not be admitted to the test center!

The NABP CPE monitor system does not automatically update your license expiration dates. Make sure you login to this site when renewing your license(s) in the future!

Sign up for State Board of Pharmacy Newsletters on the [NABP website](#), select “Boards of Pharmacy” for a list of State Boards of Pharmacy.

Students can submit NAPLEX application and pay for the exam any time before graduation after creating an e-Profile

NAPLEX and MPJE

Registering for NAPLEX and MPJE Exams

P4’s can register at any time before graduation and after the P4 KU School of Pharmacy Senior Pharmacy Student Retreat

“Create an NABP e-Profile” at www.nabp.net

- Make sure to review the name requirements when creating profile (i.e. middle name, maiden name, etc)
- “Don’t forget! The name in your e-Profile **must match** the printed name on both the primary and secondary forms of ID that you will bring to the test center. If the name in your e-Profile does not match your IDs, you will be turned away on the day of the test.”

This is the account you will use to track CE through CPE Monitor

- CE now requires your CPE monitor ID for submission for ACPE approved CE. Non-ACPE continuing education must be submitted to the Kansas Board of Pharmacy as outlined on the [Kansas Board of Pharmacy website](#).

Applying for Eligibility and Paying Application Fees

Students must pay the application fees for the NAPLEX and MPJE at the same time they submit the state board examination application or they will not be processed.

2021	Application	Fee	Costs
		■ NAPLEX = \$100 Application Fee	
		■ MPJE = \$100 Application Fee per jurisdiction	

Purchase NAPLEX and MPJE Exams

Students are eligible to purchase the exams once they have been granted eligibility from the board of pharmacy. The purchase link will be available in the NABP e-profile.

2021 Exam Fee Costs

- NAPLEX = \$475 Exam Fee
- MPJE = \$150 Exam Fee per jurisdiction

Scheduling the NAPLEX and MPJE Exam

KU School of Pharmacy will send correspondence to the Kansas Board of Pharmacy with a listing of all May 2021 graduates stating each student completed the internship requirements set forth by the Board of Pharmacy.

- If getting licensed in a different state, contact the KU School of Pharmacy office. At the request of the graduate, KU School of Pharmacy will send a letter to the respective state Board of Pharmacy to verify the student has been in good standing, completed all requirements for graduation, and is or will be a graduate on the official graduation date.

If a state Board of Pharmacy requires proof of internship hours, the student must request confirmation of hours through the Kansas Board of Pharmacy.

- Some boards of pharmacy will accept confirmation of IPPE and APPE internship hours directly from the school. Refer to each state's Board of Pharmacy website for specific requirements and forms.
- Most state boards of pharmacy outside of Kansas have a licensure application that requires the KU School of Pharmacy to fill out a section documenting the student's degree, date of entry into the program, and date of graduation.

The Authorization to Test (ATT) information can be sent at any time following submission of the NAPLEX/MPJE application and confirmation of eligibility for licensure from the Board of Pharmacy in the primary state where seeking licensure. The ATT number will be sent to the email associated with your NABP e-Profile.

- The ATT information allows you to schedule the date and time of NAPLEX and MPJE exams offered at Pearson Vue testing centers. The first date of eligibility to sit for the NAPLEX and/or MPJE indicated in the ATT will be AFTER your official graduation date.

A list of graduates is generally submitted on April 30th each year.

Refer to each state's Board of Pharmacy website for specific requirements and forms.

Most KNPN members report receiving their ATT information during graduation weekend!

Getting Licensed in Kansas

Apply for Kansas MPJE/Kansas Licensure

“If you are currently registered as a pharmacy intern in Kansas and have already provided fingerprints, you may be eligible for a background check waiver (no fingerprints required) Contact the Board (pharmacy@ks.gov) to confirm eligibility for waiver.”

For your photo nothing fancy is required; a simple cell phone picture will work!

Most state pharmacy organizations will provide law books available for purchase and have instructions on how to get licensed available on their website

Make sure you pay special attention to any time period requirements (e.g. must allow 6 weeks to process application)

Submit “[LA-01 Pharmacist by Exam Form](#)” to Kansas State Board of Pharmacy.

- Note only typed forms will be accepted.
- Submit with \$100 fee
- Must also submit a color photo (including head and shoulders) taken no more than 60 days prior to application and a copy of your driver’s license.
- Additional items to include: copy of your immunization certificate, CPR expiration date, intern registration number. Additional documentation may be required depending on student specific factors.

If permanent address changes after application is submitted, notify Kansas Board of Pharmacy using the “Change of Name or Contact Info Form LA-40” with updated address within 30 days

Additional Kansas licensure by examination information can be found [here](#).

KTRACS/PMP Aware

Use the Kansas Board of Pharmacy website for help on how to set up and use the [PMP database](#).

- Click [here](#) to create an online profile.
- Fax or upload [this form](#) to your online account

Getting Licensed in Missouri and States other than Kansas

Getting Licensed in Missouri

[Missouri Pharmacy Practice Guide](#)

[Missouri MPJE Information and Fact Sheet](#)

[Missouri Pharmacist License Transfer/Reciprocity Application](#)

- Application Fee: \$150
- Proof of 1500 intern hours
- KU School of Pharmacy Affidavit
- Photo
- Background check
- Fingerprints

Score Transfer and/or Dual Licensure

Refer to materials provided during P4 KU School of Pharmacy Senior Pharmacy Student Retreat

Refer to the pharmacist licensure forms provided by each state's Board of Pharmacy for complete instructions

More information available on the [NABP website](#)

Study Materials and Tips

General Study Tips

Consider taking the Pre-NAPLEX!

- 100-question, 140-minute practice exam
- Can take this exam twice (\$65 each time)
- Offers a similar environment to NAPLEX
- Must complete the test in its entirety once started
 - Cannot review or change questions once answered
- Provides estimated score range for NAPLEX based on responses

When studying for the NAPLEX and MPJE, be sure to read each exam's (NAPLEX, state specific MPJE, etc) objectives as this will help guide your studying. Some states (like Missouri) will actually list what is not covered on the MPJE and what to specifically focus on.

Study Materials

APhA Complete Review for Pharmacy: 12th Edition – 2017

- Book = \$99.95 for non-members of APhA
- Book = \$79.95 for APhA members

Guide to Federal Pharmacy Law: 9th Edition - 2016

- Book = \$39.99 with most online retailers
- Comprehensive study guide to federal pharmacy law
- Includes over 350 practice questions and answers

If you have already accepted a pharmacist or residency position, ask your future employer if they provide study materials for you or reimbursement for licensure.

Make sure your e-mail address on file with APhA is correct! E-mails will be sent asking for confirmation of your shipping address by the end of the calendar year.

A member of your class may register as a representative for the university during the summer following P3 year and receive a discounted rate for RxPrep if a large enough number of students are interested in purchasing the materials.

Check with your employer to see if classes are offered in the workplace

RxPrep

- RxPrep Course Book 2021 = \$188
- RxPrep Online Course 2021
 - Book + Test Bank + Video Lectures
 - 6 month access = \$788
 - 12 month access = \$988
- RxPrep Test Bank
 - 60 days = \$149
 - 90 days = \$169
 - 6 months = \$179
- Compatible with Apple and Android devices
 - Only 1 device allowed per account!

CPR

Most likely will expire in fall of graduation year

Make sure you renew!!

Many sites offer online recertification, the American AED/CPR association online Healthcare Provider course is designed for the Professional Rescuers, Health care Providers, Emergency Response Teams, Doctors, Safety Personnel, Police, Ambulance, Athletic Trainers, Airline Employees, Lifeguards or anyone who has a requirement for a CPR Certification card. The cost is \$19.95-\$39.95. Click [here](#) for more information.

The American Red Cross website also allows you to input your zip code for a list of classes in your area. Prices vary depending on the specific class. Click [here](#) for more information.

- Other websites include:
 - www.procp.org/
 - www.nationalcprfoundation.com/

Immunization Training and Continuing Education

Some states require a specific number of immunization CE credits per year. Check with each state's Board of Pharmacy to ensure you are meeting the requirements.

Some employers require additional immunization training. Check with your manager for more information.

Section 2: Professional Resources

Drug Information Resources

Check with your employer to see what is provided OR if reimbursement is an option after purchasing an individual subscription.

If you are not reimbursed, save your receipt! You can write this off on your taxes as an unreimbursed work expense.

Pricing for Individual Subscriptions

- [Lexicomp](#)
 - Mobile App Options
 - Lexicomp Essentials Package \$119/1 year
 - Lexicomp Professional Package: \$119-\$239/1 year
 - Lexicomp Premium: \$699-799/1 year
- [UpToDate](#)
 - \$23/30 days, \$219/1 year, \$399/2 years
- [Clinical Pharmacology](#)
 - Contact for individual subscription pricing using [web form](#)
- [Facts and Comparisons](#)
 - Request a free trial [here](#)
- [Micromedex](#)
 - Subscriptions available for institutions or LLCs only
 - Visit [website](#) for packages and to schedule a service consultation
- [Pharmacist's Letter](#)
 - Sign up for the complimentary student subscription and be on the lookout for graduation promotion prices.
 - Gold: \$139/1 year, \$250.20/2 years, \$354.45/3 years
- [Natural Medicines Comprehensive Database \(NMCD\)](#)
 - \$177/1 year, \$318.60/2 years, \$451.35/3 years

Be on the lookout for new practitioner discounts in your email inbox

Professional Organization Membership

Kansas Pharmacists Association (KPhA)

Dues

- Free for the first calendar year after graduation
- Reduced dues available for postgraduate years 2 and 3 and pharmacy residents
 - \$89 for year 2, \$189 for year 3, full pharmacist rate thereafter
 - \$10 for pharmacy residents. Must be a resident in a hospital or other pharmacy practice setting to qualify for this category

New Practitioner Resources: [Kansas New Practitioners Network \(KNPN\)](#)

Member Resources

- *NewStream* biweekly newsletter with current events and legislative updates
- Quality CE and other educational programming with reduced registration fees
- Large catalog of Online CE with 24/7 availability

Kansas Council of Health-System Pharmacy (KCHP)

Dues

- First year graduate: \$45/year
- Residents (PGY1/PGY2): \$45/year
- Full member: \$125/year

Member Resources

- Bi-monthly newsletter and special industry bulletins
- Access to website's members-only section & KCHP Roster of Members
- Legislative & Board of Pharmacy updates/representation

American Society of Health-System Pharmacists (ASHP)

Dues

- First year graduate: \$84/year
- Second year graduate: \$168/year
- Full member: \$335/year

New Practitioner Resources: [New Practitioners Forum](#)

Check with your employer to see if funds are available for membership. If you are not reimbursed, save your receipts! You can write off dues and travel for professional meetings on your taxes as education-related unreimbursed work expenses.

Member Resources

- Daily e-mail newsletter: ASHP Daily Briefing
- Print subscription and online access to *American Journal of Health-System Pharmacy (AJHP)*
- Sections and Forums
 - Free to be a member of any section
- Career tools
- CE
- Drug shortage information
- NewsLinks weekly newsletter
- Professional practice policies and guidelines
- Resource centers
- Connect e-community

American Pharmacists Association (APhA)

Dues

- ENGAGE New Practitioner Year 1-5 Post Graduation \$129/year
- ENGAGE PLUS New Practitioner Year 1-5 Post Graduation \$229/year

New Practitioner Resources: [APhA New Practitioner Network \(NPN\)](#)

Member Resources

- Practice academies and Special Interest Groups (SIGs)
 - Free to be a member of any academy or SIG
- Digital subscription to Transitions and Pharmacy Today newsletters
- Print/digital access to APhA Journals (JAPhA, JPharmSci) and Pharmacy Today
- Access to Pathway to New Practitioner Life Webinar Series with introductions to opportunities for pharmacists, aids in your professional development, and helps you better understand the next steps in your career
- Connection to your peers via ENGAGE
- Included access to 80+ CPE opportunities and training discounts.

American College of Clinical Pharmacy (ACCP)

Dues

- Resident/Fellow/Graduate Student: \$90/year
- Full member: \$260/year

Member Resources

- Practice and Resource Networks (PRNs)
 - \$25 to belong to each PRN
- Listserv access and additional resources available for members
- Board certification and recertification offerings
- Online and print access to *Pharmacotherapy* journal and Journal of the American College of Clinical Pharmacy (JACCP)
- Legislative action center
- ACCP Academy

National Community Pharmacists Association (NCPA)

Dues

- 1st year graduate \$55, 2nd year \$80, 3rd year \$120
- Staff pharmacist: \$235/year
- Pharmacy owner/manager: \$395

Member Resources

- eNews weekly newsletter
- Monthly journal: America's Pharmacist
- Biweekly government affairs update: Advocacy Alert
- Executive Update newsletter for current events and best practices
- Exclusive deals and discounts for programs and services you need to excel in business and deliver the best care to your patients includes: Simplify My Meds, Dispose My Meds and Digital Pharmacist
- Member forums
- Webinars and web conferences

American Society of Consultant Pharmacists (ASCP)

Dues

- Year 1 graduate: \$99
- Year 2 graduate: \$190
- Active member: \$279/year

Member Resources

- Online and print access to *The Senior Care Pharmacist* journal
- Biweekly issues of ASCP's eNewsletter, ASCP Now
- Access to the Patient Resource Center & business tools
- Monthly CE Webinars

Academy of Managed Care Pharmacy (AMCP)

Dues

- Resident/Fellow/Graduate Student: \$100/year
- Active member: \$275/year

Member Resources

- Daily e-mail newsletter: AMCP Daily Dose
- Legislative/regulatory updates
- Formulary management tools
- Health information technology (HIT) resources
- Free access to AMCP's Webinar Series and Archives
- Print and online access to the *Journal of Managed Care Pharmacy (JMCP)*

Section 3: Personal Resources

Maintaining & Updating Personal Contact Information

E-mail address

Get a professional e-mail address that is **not** ku.edu

Be sure to update your contact information for any professional organizations (including KPhA!) that send messages to this account.

Moving

Change of address can be completed at a post office or [online](#).

Don't wait until you are moving out. Your address change can be submitted in advance with a future effective date. This will ensure you get your forwarded mail as soon as possible. Mail is forwarded by the United States Postal Service for a 1 year time period.

Voter Registration

- Don't forget to update your voter registration information after moving
- [Online registration](#) available for registering to vote for the first time in Federal elections.
- Kansas registration or change of address can be completed [here](#).

Notify Kansas Board of Pharmacy using the "[Change of Name or Contact Info Form LA-40](#)" with updated address within 30 days

KU e-mail account access ends 6 months after graduation.

Make sure you are on an official United States Postal Service (USPS) website when submitting your personal information. There are change of address websites that are legitimate but may charge more and are not official USPS sites.

Property/Casualty and Liability Insurance

Professional Liability Insurance

Liability insurance pays damages where a person or organization is found responsible for injury or harm caused, e.g. in the case of negligence

Employers may offer some liability insurance but it is not always sufficient coverage if you were to be sued

KU School of Pharmacy sends an email to graduates with additional information

- Can be purchased from:
 - [Pharmacists Mutual](#) Kansas agents: [John Adams](#) and [Greg Frost](#) depending on what part of the state you live in.
 - [Healthcare Providers Service Organization \(HPSO\)](#) Discounted through APhA

Ask your employer if reimbursement is offered for professional liability insurance premiums. If you are not reimbursed, save your receipt! You can write this off on your taxes as an itemized deduction.

Auto Insurance

Automobile insurance provides coverage for the risks associated with driving or owning an automobile. An automobile policy provides the insured with indemnity and/or compensation for injury or physical damage which ensues from the ownership, use or operation of an automobile. Auto policies contain a variety of coverages that can be purchased depending upon the needs and wants of the policyholder. Liability for bodily injury and property damage, medical payments, uninsured motorist, comprehensive, and collision are some of the common coverages offered under an auto insurance policy.

Homeowners Insurance

A form of property insurance designed to protect an individual's home against damages to the house itself, or to possessions in the home. Homeowners insurance also provides liability coverage against accidents in the home or on the property.

Review your current auto and home/renters insurance to verify and confirm that you have adequate protection amounts now that you're no longer a student. Cheaper is not always better so be aware of what you have and make changes as necessary.

Pharmacists Mutual offers discounts for members that have both professional liability and other types of insurance policies. Other companies may offer the same type of bundled discount.

Some professional organizations offer discounts for insurance through Geico or other national companies. Check the membership benefits section of each organization's website for details!

Pharmacist's Mutual and other major insurance agencies may offer discounts for bundled policies including liability, home, renter's, or auto insurance. Ask your insurance agent for more details.

Renter's Insurance

A form of property insurance that provides coverage for a policyholder's belongings and liability within a rental property. Renter's insurance applies to persons renting or subletting a single family home, apartment, duplex, condo, studio, loft or townhome. The policy protects against losses to the tenant's personal property within the rented property. In addition, a renter's insurance policy protects against losses resulting from liability claims, such as injuries occurring on the premises that are not due to a structural problem with the property (in this case, the owner's - not renter's - policy would apply).

Increasingly, proof of renter's insurance is required by many landlords. Personal belongings within a rented property are typically not covered under the owner's or landlord's property insurance. For example, if a flood or fire destroys all the personal property within a rented apartment, the structure would be covered under the landlord's policy, but the personal property would only be covered through a renter's insurance policy. Without this coverage, the tenant would be responsible for the loss out-of-pocket.

Umbrella Insurance

A personal umbrella liability insurance policy provides protection in the event that you are sued for accidentally hurting other people or damaging their property. This policy provides coverage for damages claims that you, your dependents, or even your pets may cause. These policies are called umbrella or excess liability policies because they provide coverage that is in excess of the liability coverage limits found in your automobile, homeowner's, and watercraft policies.

Financial Advisory Services

Financially, the transition into a full time PharmD can be a bit overwhelming. From taxes, insurances, student loan repayment plan options, buying a new car, savings for a new home, mortgages options, taxes, retirement savings, investments, among others, there are many different items you will have to decide upon. You may want to consider the advice and expertise of a comprehensive Financial Advisor who can assist and help you navigate through all of these items and discover what is the best game plan for your particular situation.

There are many different ways to approach your finances but here are 5 steps, in order, to establishing a solid financial game plan:

1. Protect Yourself First
2. Save and Build Up Liquidity
3. Get Organized and Identify Potential Strategies
4. Pay Down High Interest Short Term Debt
5. Invest and Accumulate Wealth

Life Insurance

Life insurance pays a specified sum to the designated beneficiaries upon the death of the insured. It is generally used to provide cash to your loved ones in the event of your death, or it may be used to accomplish other personal, business, and estate objectives.

There are several types of life insurance policies; the most common types are **permanent life insurance** and **term life insurance**.

- Permanent life insurance: provides a lifetime of protection and accrues cash value and thus offers a lifetime tax efficient savings component.
- Term life insurance: provides protection only during a specified term and does not create a cash value. Some employers provide some type of group life insurance benefits but you may want to consider purchasing individual coverages as well due to the longevity and portability available.

A financial advisor can also help you determine which types of insurance you need or want and often times help you implement those policies.

Disability Insurance

Arguably, the most important protection you should have is income protection, or disability insurance. A sickness or injury that prevents you from being able to work can be more disastrous financially than death. If you become sick or injured and lose your earning power, you still have your normal daily living expenses and often huge expenses for medical care. Disability insurance helps you replace your lost income and maintain some form of lifestyle.

There are two types of disability policies: **short-term disability (STD)** and **long-term disability (LTD)**.

- Short-term disability policies: maximum benefit of two years
- Long-term disability policies: benefits that typically last to age 65 or 67 but some can last the rest of your life.

The odds of becoming sick or injured during your working years can be startling so be sure to sign up for something. Here's a [website](#) to see some of these statistics.

There are various types of disability insurance policies available, ranging from employer-provided group coverage (short- or long-term) to individual disability income insurance. Group coverage provides a basic level of benefits but may be insufficient for pharmacists to maintain their standard of living. An individual policy, which you own, provides you with the most flexibility and enables you to maximize your income protection. Certain individual policies may also help you protect the amount you are contributing to a qualified retirement plan. There are significant differences between long term disability plans between employer sponsored plans and individual policies so be sure to weigh the pros and cons accordingly.

Individual Policies can be very different from company to company but should include most, if not all, of the following language and benefits:

- Non-Cancellable and Guaranteed Renewable: coverage is guaranteed to renew until a certain age, premiums are guaranteed, and the contract language and definitions are guaranteed.
- True Own Occupation Definition of Disability: if you can't be a pharmacist but you can go work at another occupation, you will still receive 100% disability benefits on top of your new income no matter what else you are doing for a living. This doesn't penalize you for wanting to go back to work at some capacity.
- Cost of Living Adjustment (Inflation Protection): increases your benefit amount every year while you are on claim to keep pace with inflation.
- Future Increase Options: can buy more coverage guaranteed as your income increases.

Make sure the policy does not exclude or limit disability benefits due to a mental, nervous, or stress related disorder. Many policies have benefit periods to age 65 or longer but will only pay benefits for 24 months should the disability be determined to be a mental, nervous, or stress related disorder. Look for a policy that will pay you full benefits all the way until at least age 65 should this occur.

- Partial or Residual Benefits: pays you a portion of your disability even if you are still working part time.
- Student Loan Benefits: pays your student loans for you while you are disabled.
- Catastrophic Disability Benefits: pays additional benefits should you not be able to perform 2 of the 7 activities of daily living.

Personal Legal Documents

Will: a written document that leaves the estate of the person who signed the will to named beneficiaries who may be persons or entities

Health Care Proxy (aka “living will”): a document authorized by statutes in all states in which a person appoints someone as his/her proxy or representative to make decisions on maintaining extraordinary life-support if the person becomes too ill, is in a coma, or is certain to die

Power of Attorney: a written document signed by a person giving another person the power to act in conducting the signer's business, including signing papers, checks, title documents, contracts, handling bank accounts, and other activities in the name of the person granting the power.

- There are two types of power of attorney:
 - General power of attorney: covers all activities
 - Special power of attorney: grants powers limited to specific matters, such as selling a particular piece of real estate, handling certain bank accounts, or executing certain legal documents

Trust: a legal entity created to own assets, manage those assets, and provide for the disposition of those assets. It may be created during your lifetime or in your will once it is probated. A trust is designed to protect and manage your property and may save on estate transfer expenses.

Budgeting and Savings

Create a budget and take control of your finances. This will help you get organized and accomplish short, mid-term, and long-term goals.

Be sure to consider taxes, insurance payments, student loans, gifting, savings and retirement first, then consider what type of house, cars, etc. that fit in your budget.

It is critical to have adequate savings in the bank for unexpected life events, emergencies, and/or unemployment. Recommended amounts range depending on your personal comfort level. A common range is 3-6 months and some experts recommend up to 6-12 months of your normal monthly living expenses.

Maintaining updated personal legal documents are important even if you are single without children. These can be obtained through the use of an attorney or through various websites.

Deferment might be an option during residency years but varies based on specific lenders. Contact your lender to find out more information.

Mortgage rates are at almost historic lows. There are special mortgage programs available for pharmacists that will allow you to put as little as 5% down while maintaining a 15 or 30 year fixed rate without any Primary Mortgage Insurance (PMI).

Student Loans

Loans repayment dates depend on individual lenders. Federal loans have a 6 month grace-period before the loan repayment starts once you are no longer a half-time student in an eligible program.

Other topics to explore:

- Deferment and forbearance: temporarily postponing or reducing loan payment
- Consolidation: combining multiple loans into one loan
- “Forgiveness” - Contact your Federal Loans department to see your options. If you work for a non-profit, there are potentially huge benefits to utilize this option.

Analyze and determine what type of repayment plan is best for you. There may be advantages to overpaying your loans or extending your payments out to a longer term so that you can focus on other higher interest debt and/or savings and investments. It is highly recommended that you work with a comprehensive financial advisor who can run different scenarios for you to see if you should consolidate your loans and what repayment plan is best for your particular situation as it can have significant impact on your current life, cash flow, and overall happiness.

Mortgage Selection for New Home

Home mortgages are afforded a significant tax advantage over other types of personal loans because the interest is deductible for purposes of calculating Federal Income Tax.

Fixed-rate mortgages and adjustable-rate mortgages (ARMs) are the two primary mortgage types with numerous varieties within these two categories.

- Fixed-Rate Mortgage: charges a set rate of interest that does not change throughout the life of the loan. Although the amount of principal and interest paid each month varies from payment to payment, the total payment remains the same. The main advantage of a fixed-rate loan is that the borrower is protected from sudden and potentially significant increases

in monthly mortgage payments if interest rates rise. The most popular types of fixed-rate mortgages are 30-year and 15-year mortgage.

- Adjustable Rate Mortgage (ARM): interest rate varies over time. The initial interest rate on an ARM is based upon short-term interest rates, and initially will have a rate below the rate on a comparable fixed-rate loan. ARMs have a fixed period of time during which the initial interest rate remains constant, after which the interest rate adjusts at a prearranged frequency. After the initial fixed-rate period, the rate will be readjusted and will be based upon prevailing rates. If interest rates have increase since the mortgage was originally taken out, then the new rate for the next period will be higher. The rate-adjustment feature of ARMs leave the mortgage holder exposed to the risk of significantly higher monthly mortgage payments in the future in a rising interest rate market place.

Investments and Retirement

Employer Sponsored Retirement Plan Examples: 401(k), 403(b), others

Employers can choose whether to offer a retirement plan to employees; federal law does not require employers to offer or to continue to offer a plan.

The amount that you and/or the employer contribute will typically be invested in the stock market and will accumulate on a tax-deferred basis. You are able to deduct your contributions from the current year's taxes, however, taxes will be fully payable upon distribution at the then current tax rates. Currently, the age that is acceptable to withdraw the funds for retirement purposes without penalty is 59 ½. Should you withdraw the funds prior to age 59 ½, you will have to pay a 10% penalty on top of the taxes owed.

- There are some situations that you would not have to pay the 10% penalty but a general rule of thumb is that what you put in your retirement plan is designed for retirement and should be left there.
- Some employers offer a matching contribution into the employer sponsored retirement plan which matches the percentage that the employee contributes up to a certain percentage (3-5% is common).
- Example: when the employee puts 3% of their income into the employer sponsored retirement plan, the employer may match up to the 3% making the total contribution of 6% into the retirement account.

Recommended annual savings and investments amounts should be 10-20% of your pre-tax income.

Roth 401(k) - This is a type of employer sponsored plan that allows you to contribute money on an after tax basis and have all of the contributions and account growth accumulate on a tax free basis. However, if the employer provides you with any type of match, their portion will go into a traditional 401(k) chassis. As this is a retirement account, it also has the 59 ½ rule for distributions.

- There are some situations that you would not have to pay the 10% penalty but a general rule of thumb is that what you put in your retirement plan is designed for retirement and should be left there.

IRA (Individual Retirement Account)

This retirement vehicle can be set up where you can contribute money into your IRA and the contributions and growth of the account will accumulate on a tax-deferred basis. It acts very similar to a traditional employer sponsored retirement plan however it will not have any type of match since this is an individual account. You will have more investment options with this approach than through your employer. The amount that you contribute may or may not be tax deductible dependent upon your income.

Roth IRA

A Roth IRA is a retirement savings account that allows your money to grow tax-free. You fund a Roth with after-tax dollars, meaning you've already paid taxes on the money you put into it. In return for no up-front tax break, your money grows tax free, and when you withdraw at retirement, you pay no taxes.

Non-Qualified Brokerage Accounts

These are investment accounts that are set up outside of your employer. One of the major benefits of these types of accounts is liquidity, or the ability to take your money out whenever you like. There are no limitations on how much money you can contribute or how much you can take out. These type of accounts are likely going to be taxed every year on any realized gains you earn during that year.

- These accounts can include mutual funds, stocks, bonds, CDs and many other types of assets.

You may want to consider participating in investments outside of your employer sponsored retirement plan for diversification, tax, and liquidity purposes.

For more information on any of these financial advisory services topics or if you have specific questions, you should contact a Financial Advisor directly. If you don't have someone that you are currently working with, or are interested in speaking with someone to get a different perspective, Brandon Capps is a Financial Advisor that specializes with pharmacists and is also a member of KPhA. He is the owner of Velocity Wealth Management, LLC and works with Pharmacists all over the country. Velocity specializes with PharmD new practitioners and helps them transition into the "real world" as smoothly as possible. If you would like to reach out to Brandon directly with any questions, he can be reached at:

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Questions? Comments?

Did you love the graduation checklist??

Did we miss something??

Do you still have questions??

KNPN is happy to answer your questions as you transition from student to pharmacist. We also welcome your feedback to help make the checklist even better for the future!

Send us an email anytime at info@ksrx.org.