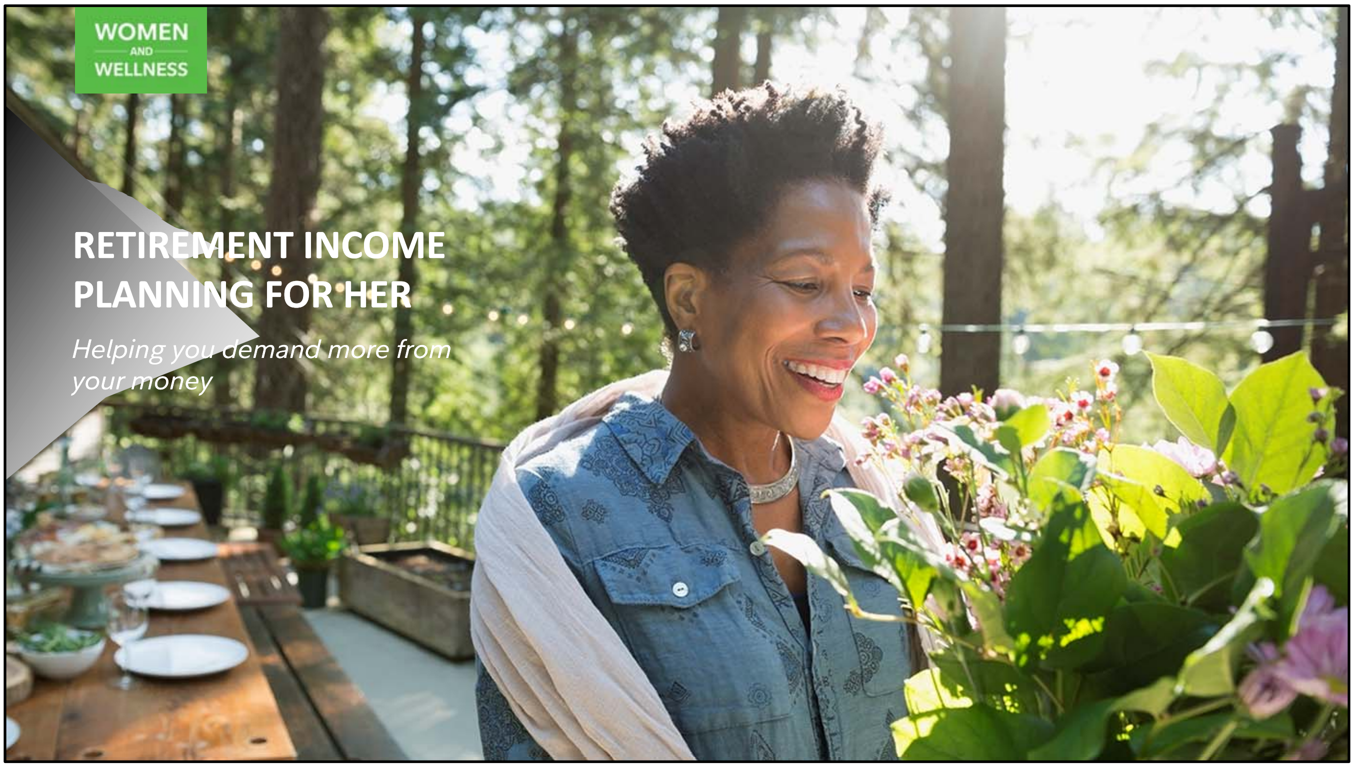


RETIREMENT INCOME PLANNING FOR HER

Helping you demand more from your money

Good morning/afternoon/evening. Welcome to Retirement Income Planning for Her, a workshop designed to help you demand more from your money and help you achieve your financial goals. If you're planning for retirement on your own or planning with a partner, this session is designed especially for you.

So, how will you know when you're really ready to retire?

We want to help you be able to confidently answer that question, from both a personal and financial perspective.

Every day, we at Fidelity talk to people approaching or already living in retirement. This gives us insight into what is really working when you're getting ready to make the move into retirement.

Let me ask you:

- How are you feeling about the idea of retiring? [Ask for responses.]
- Are you nervous about the idea? [Ask for responses.]
- Are you excited and counting down the days? [Ask for responses.]

Keep in mind that all of these feelings are natural and normal. Whatever you may be feeling, this workshop should help you feel more prepared!

Toni Marie Sutliff
Client Financial Education Specialist,
Education & Wellness
The Church Pension Group

Toni Marie has been with CPG for more than 12 years, after serving as the Minister of Finance in the Diocese of Utah. At CPG she has assisted diocesan and group administrators with their employee benefits through CPG and has provided benefit education to employees enrolled in CPG's medical, dental, group life and disability and pension plans. Toni Marie has worked from her home in Salt Lake City, Utah for her entire tenure with CPG. Between them, she and her husband have four children, six grandchildren and three great-grandchildren. She is active in her home parish, All Saints Church, where her greatest delights are serving as Eucharistic Minister and Visitor and singing in the choir when conditions permit.

Note to Presenter: Please introduce yourself with this slide.

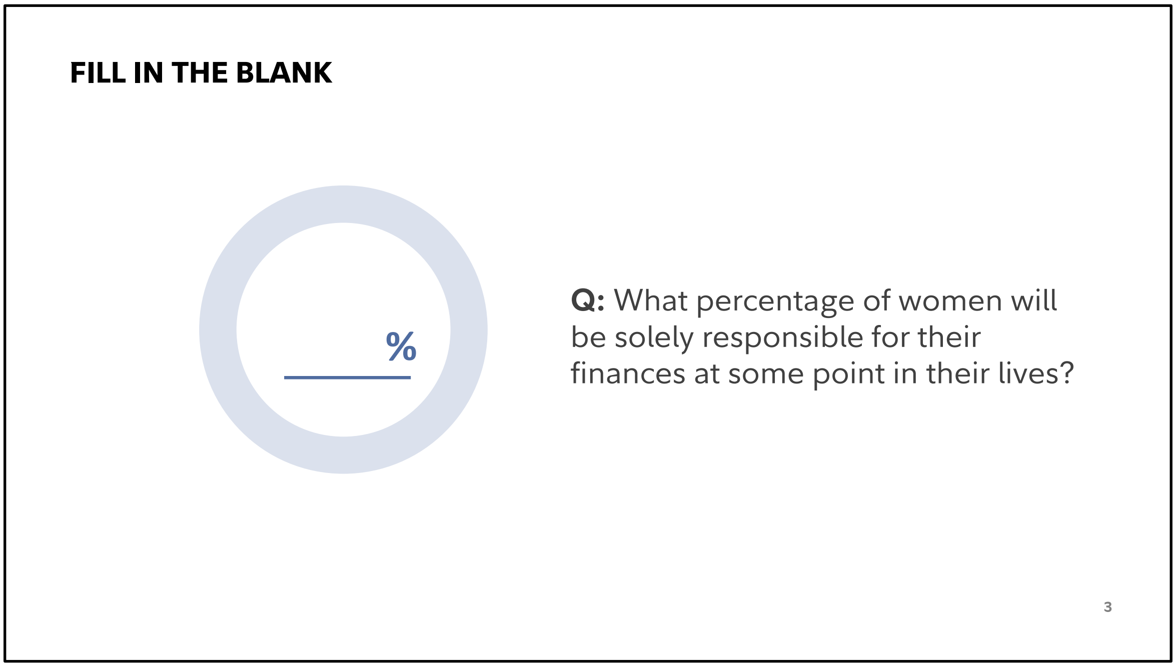
Here's What We'll Cover:

Today, we'll break down what can be a complex process into manageable bites.

- First, we'll start with an important part of retirement planning — what your retirement may look like and how you may be envisioning it.
- Then, we'll cover five key financial risks each of us faces as we enter and live in retirement.
- Next, we'll discuss a four-step approach to help with your retirement decisions.
- Finally, we'll fit the pieces together and talk about a few specifics that are especially important when you are planning for your retirement.

As you approach retirement, you may be relying on yourself to prepare, or maybe you are planning with a partner. Some of you may be getting ready for this major life transition after dealing with the loss of your spouse. However you arrived here, you are on common ground with many who are planning for retirement. After this session, you'll feel more empowered to plan for the retirement that you want and deserve.

There will be plenty of time at the end of the session for your questions, so please take notes along the way and write down your questions for our discussion.



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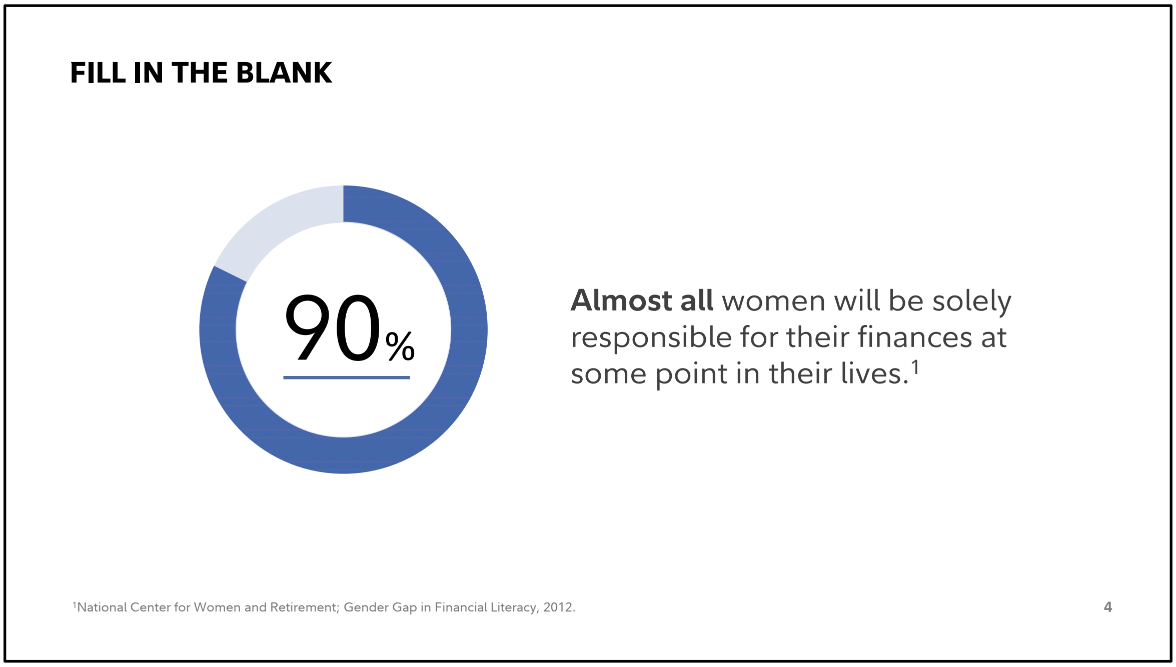
Let's start with a quick question. What percentage of women will be solely responsible for their finances at some point in their lives?

[Ask for responses.]



Fill in the Blank

The reality is that 90% of women will be solely responsible for their finances at some point in their lives due to a variety of reasons:[1]

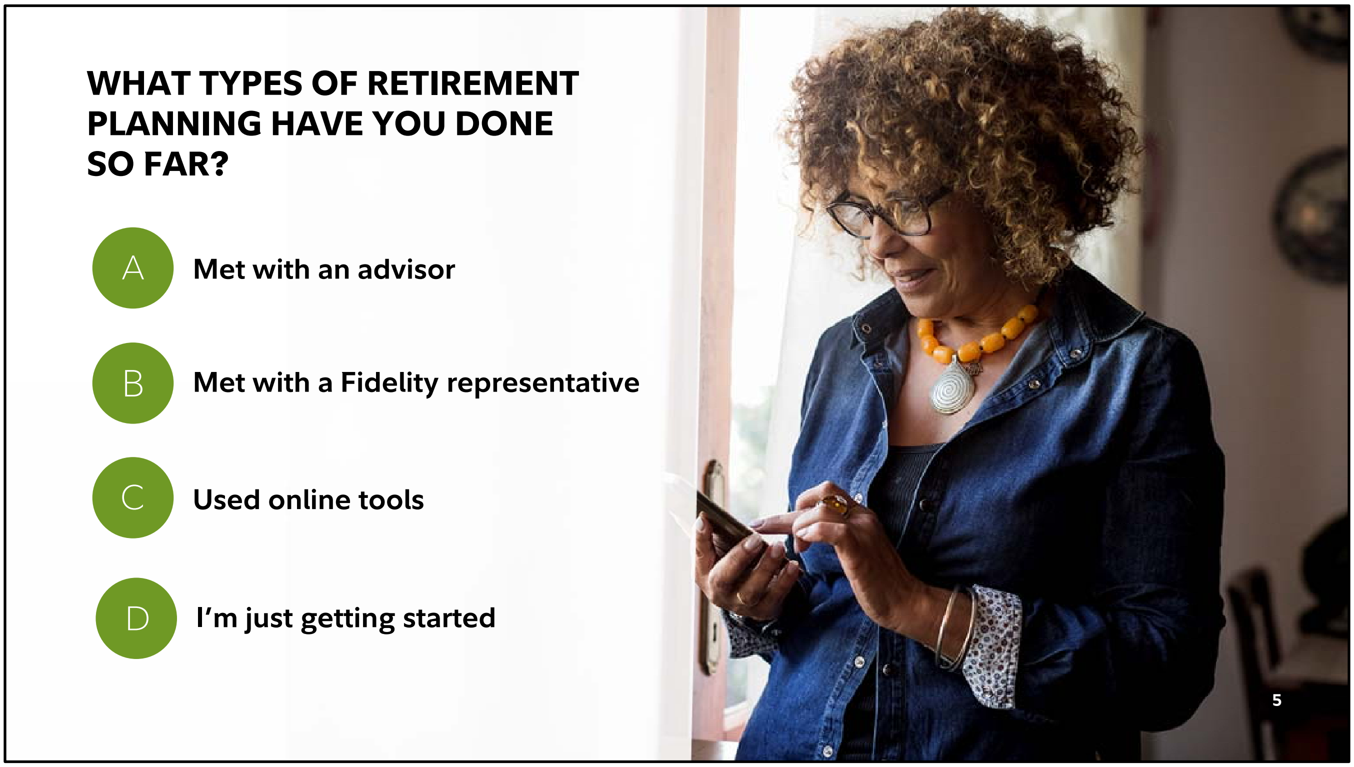
- More women are single (getting married later in life or staying single).[2]
- Many experience divorce (50%).[3]
- Women often outlive their spouse by an average of five years.[4]

You can see why it's so important for women to be fully engaged when it comes to their finances. And yet, we're not all there!

[2]National Center for Women and Retirement; Gender Gap in Financial Literacy, 2012.

[3]National Center for Health Statistics, March 22, 2012.

[4]Centers for Disease Control and Prevention (CDC), 2015.



What Types of Retirement Planning Have You Done So Far?

Optional Activity:

What types of retirement planning have you done so far?

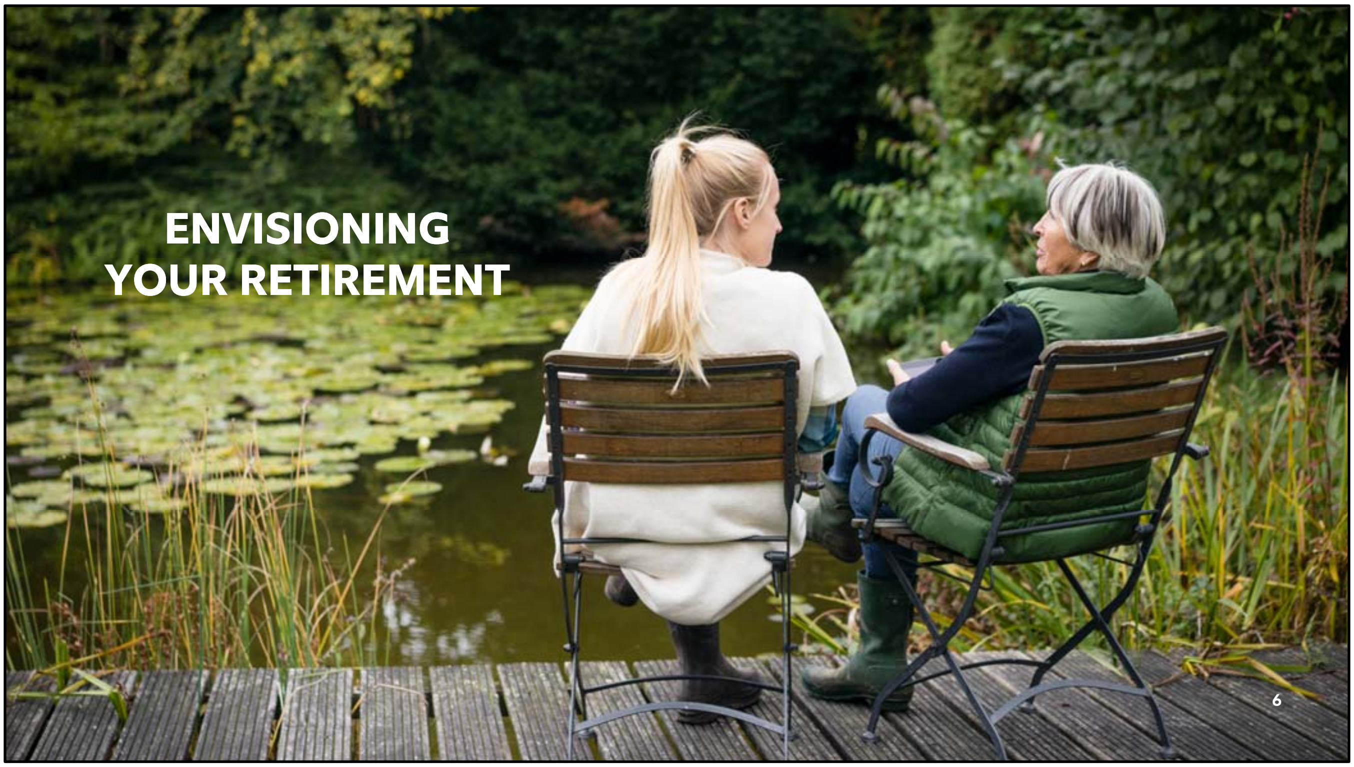
A. Met with an advisor

B. Met with a Fidelity representative

C. Used online tools

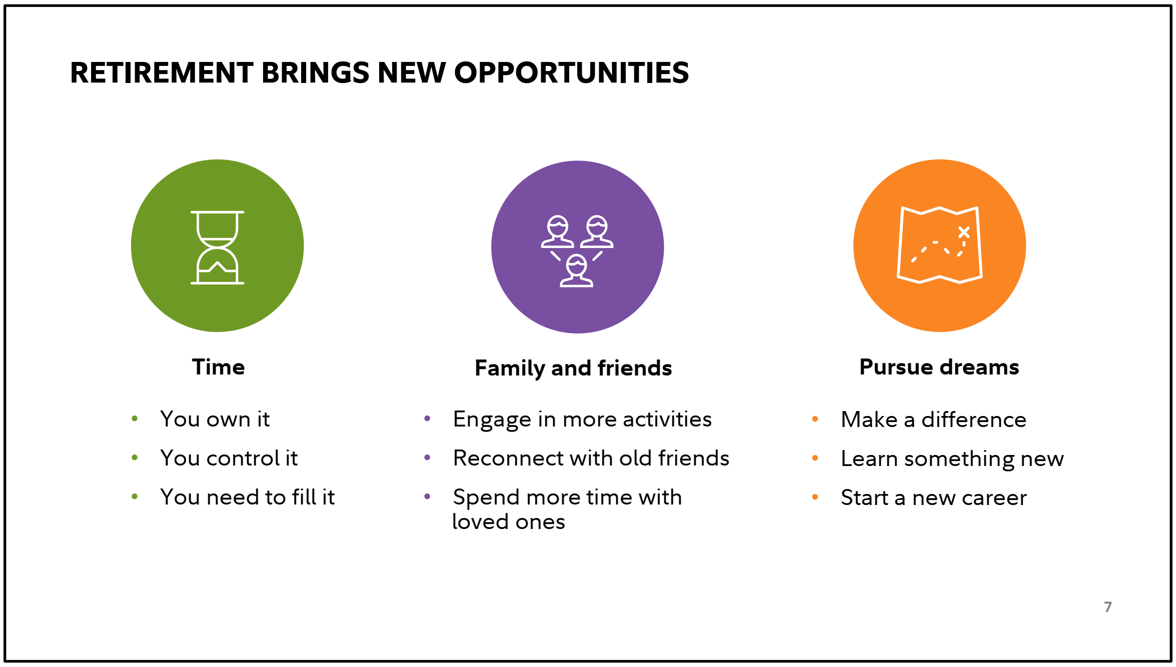
D. I'm just getting started

At Fidelity, we believe it's critical for women—and indeed all investors—to be actively engaged in their financial lives and planning for their transition into retirement. You don't have to become a financial expert. It's perfectly okay to let someone else take the lead, or to work with a financial professional for help. Now we’re going to talk about how you can actively plan for today, tomorrow, and your retirement.



Envisioning Your Retirement

Envisioning your retirement is an important first step when planning for your future. Let's start by discussing three important components.



Retirement Brings New Opportunities

Retirees describe their new life as one in which “every day is a Saturday!” That may be a great vision for you, or something you dread.

While you’re in the midst of an important and fulfilling career today, it may be hard to imagine a time when you don’t have to be somewhere every day.

This may be especially true if work is your main focus and social network. That’s why it’s important to build in a transition period—from oneto five years—to think about when your time is all your own and you don’t have a destination to go to each day.

With more time, you may build and reconnect your personal relationships with family and friends.

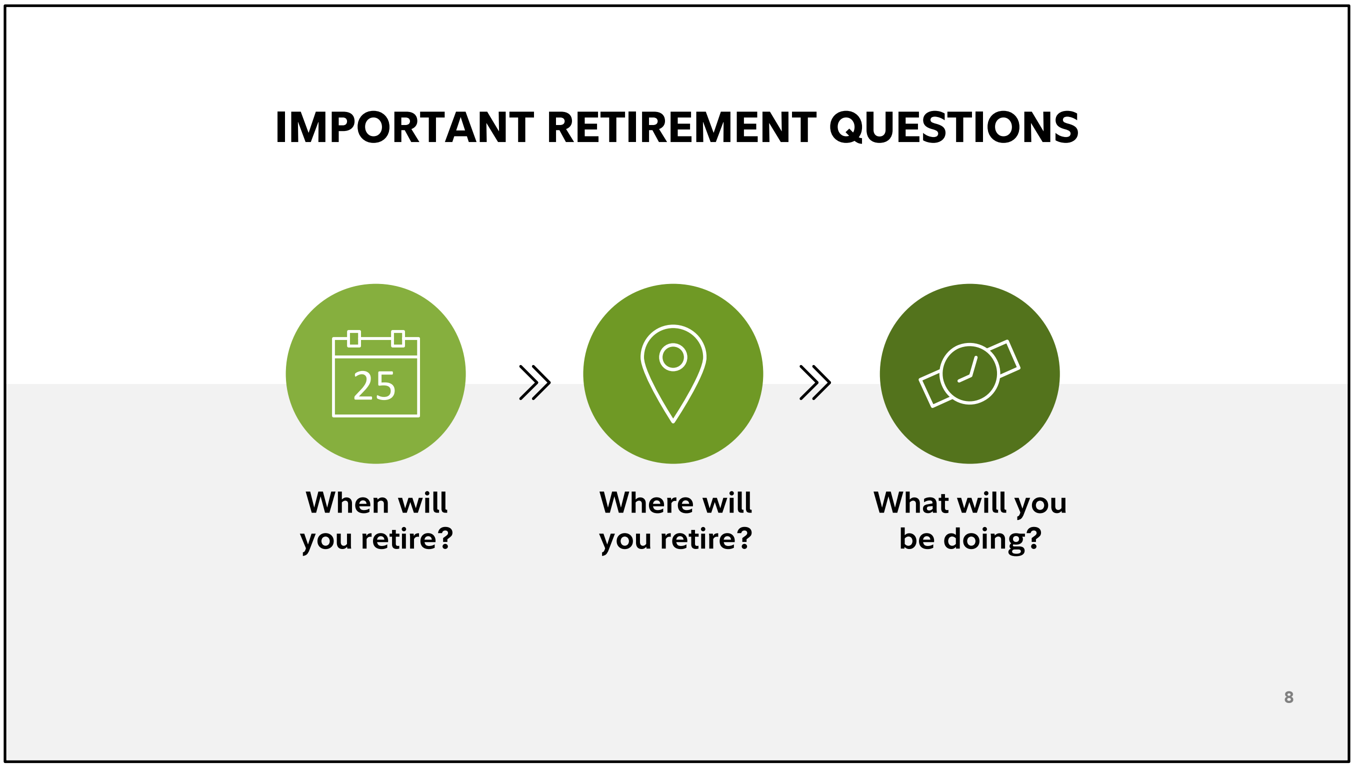
You may plan activities with your grown children or grandchildren, or have interesting adventures with your loved ones.

You may start or restart activities and hobbies that have languished over the years.

And, this is the time to pursue dreams. The happiest retirees we talk to fill their calendars with all kinds of activities where they are making a difference or learning something new. Some prefer to continue working at least part-time—leveraging their main career in new ways, while others jump into something completely different.

It’ll be up to you to decide how to spend your time...and it isn’t something you figure out in a weekend. It’s important to take the time to really think about your next steps.

How many of you have already started to think about how you want to spend your time in retirement? [Ask for a few responses and weave them into the discussion.]



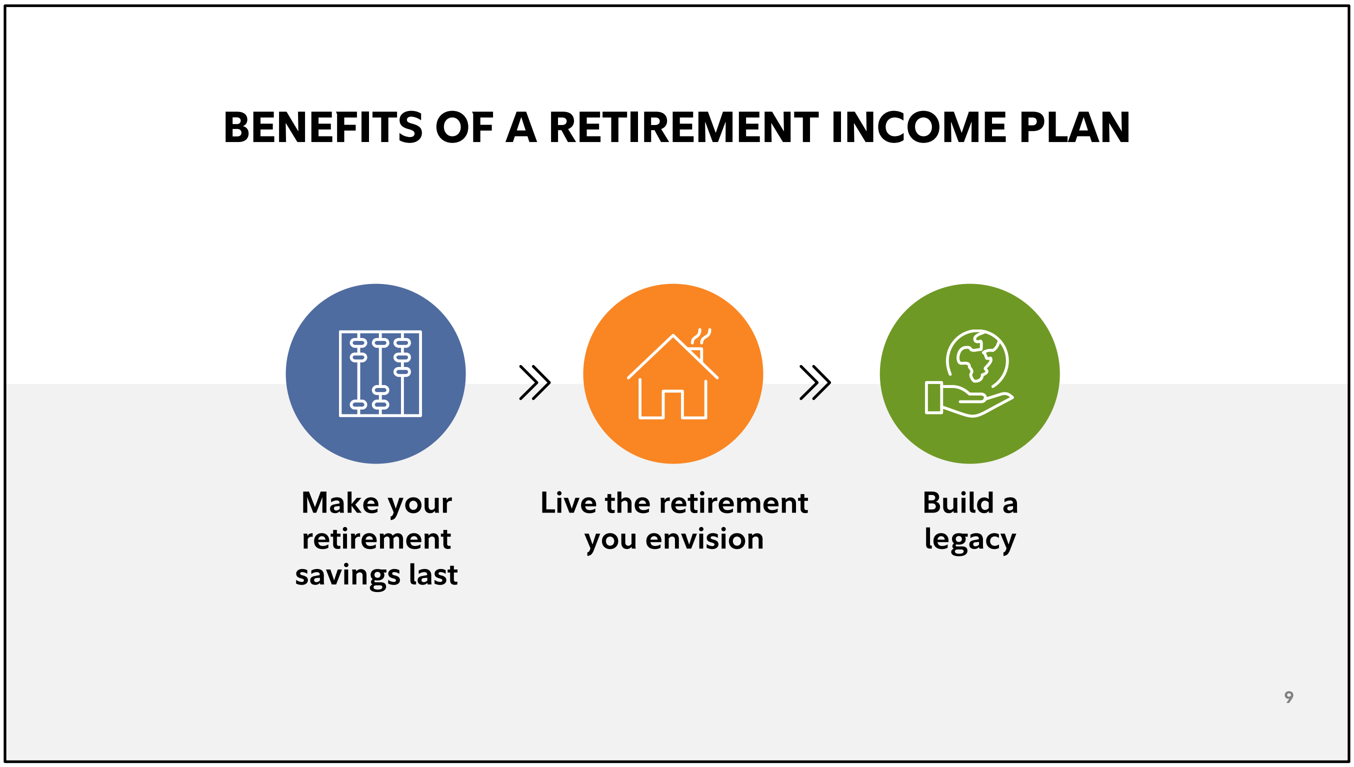
Important Retirement Questions

In order to bring more clarity to the retirement you are envisioning, it is important to consider a few questions that will help to shape what your retirement may look like. These questions are:

- When will you retire?
- Where will you retire?
- What will you be doing?

When planning for income in retirement, it’s also important to consider who this planning may include. Are you doing this by yourself or with a spouse or partner?

If you're planning with a spouse or partner, you'll also want to consider these important questions: Are you both retiring at the same time? How will your spouse or partner's savings, retirement benefits, and income sources affect your overall plan?



Benefits of a retirement income plan

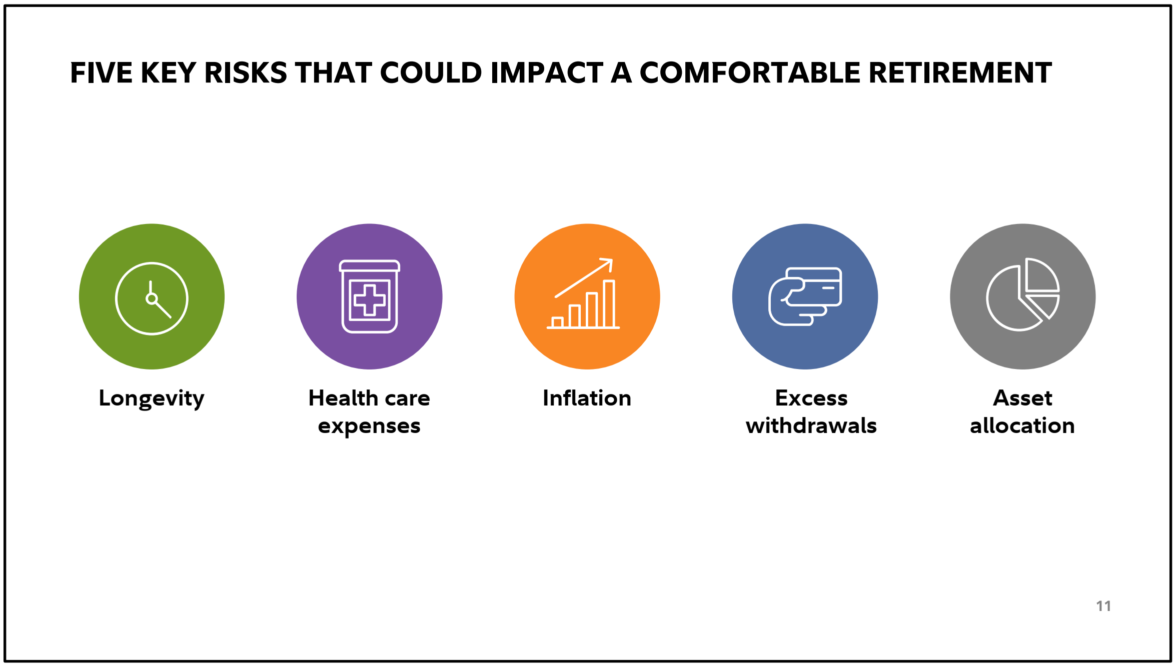
A retirement income plan can help you:

- Make your retirement savings last.
- Live the retirement you envision.
- Build a legacy.

One invaluable benefit of a retirement income plan: Freedom! —the freedom of knowing you anticipated your needs and prepared for them.

Understanding Five Financial Risks

Paying for your retirement is not as simple as receiving a paycheck from your employer. There are many different factors that come into play. On the personal front, you'll be defining a new lifestyle and/or creating your new chapter. On the financial front, you'll be dealing with risks that can make it challenging to ensure that your money will last.



Five Key Risks That Could Impact a Comfortable Retirement

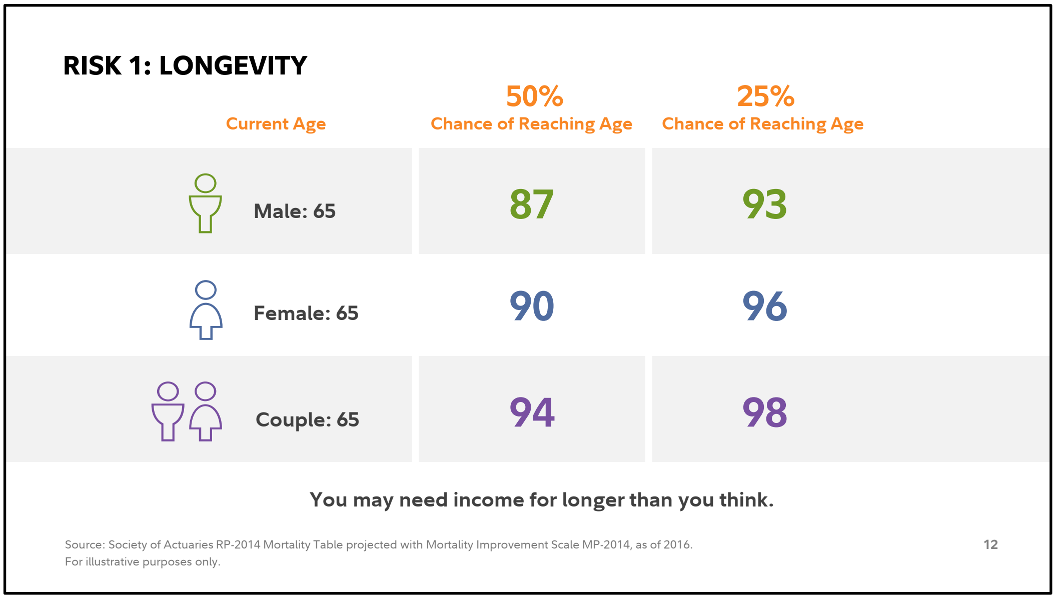
There are five key risks that could impact a comfortable retirement. These include:

- Longevity
- Health care expenses
- Inflation
- Excess withdrawals
- Asset allocation

These are important financial risks to consider before you retire. It's especially important that you think about each risk in terms of your own personal plan.

Depending on the implication of these risks, you may be in better financial shape to retire earlier...or you may find that it's more important to work longer. These risks need to be considered to answer the question: *How do you know you'll be ready to retire?*

Let's talk about each one.



Risk 1: Longevity

As medical advancements continue, it's quite likely that today's healthy 65-year-olds will live well into their 80s or even their 90s. This means that there is a real possibility you may need 30 or more years of retirement income. Recent data suggests longevity expectations may continue to rise. People are living longer because they're healthy, active, and taking better care of themselves.

Is it possible that you could live to age 100? According to the U.S. Census Bureau, 54,000 centenarians were alive in the United States as of December 2010, and that number is projected to increase more than eleven-fold, to 601,000, by the year 2050. *[**Ask participants**: Who here thinks they will be living to 100? Comment on the numbers.]*

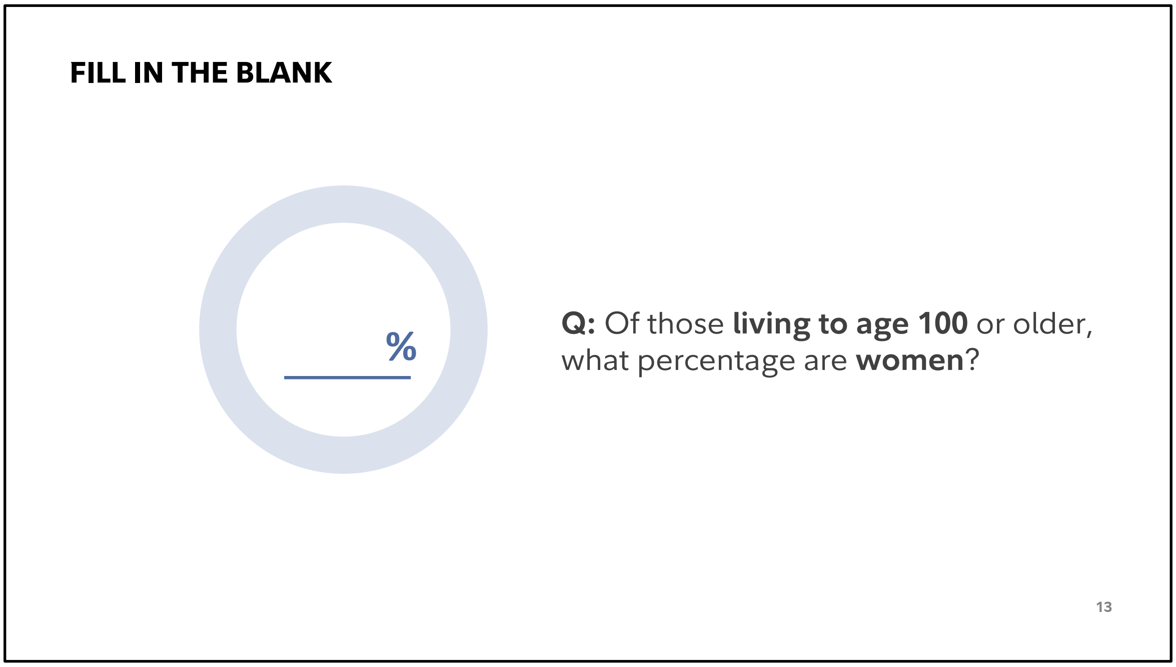
Even if you don't quite make it to 100, take a look at how long you may live. This chart shows the probability of living to certain ages once you've reached age 65 and are in good health.

- Looking at the top row, you see the "50% Chance" statistics. There's a 50/50 chance that a man will live to age 87, a woman to age 90, and one member of a married couple to age 94.
- The bottom row shows you the probability of living even longer. There's a 25% chance that men will live to age 93, women to age 96, and one member of a married couple to age 98.

Unless you know something about your health that could be a problem, you probably should plan for a long retirement—one that lasts well into your 90s.

Too often, we see customers who want to base their estimates on life expectancy—or the average length of time people live today. But you can see that there's a 50/50 chance of living longer. At Fidelity, we suggest that the *average* female plan on living to age 94 (males to age 92), or longer, if your family exhibits longevity.

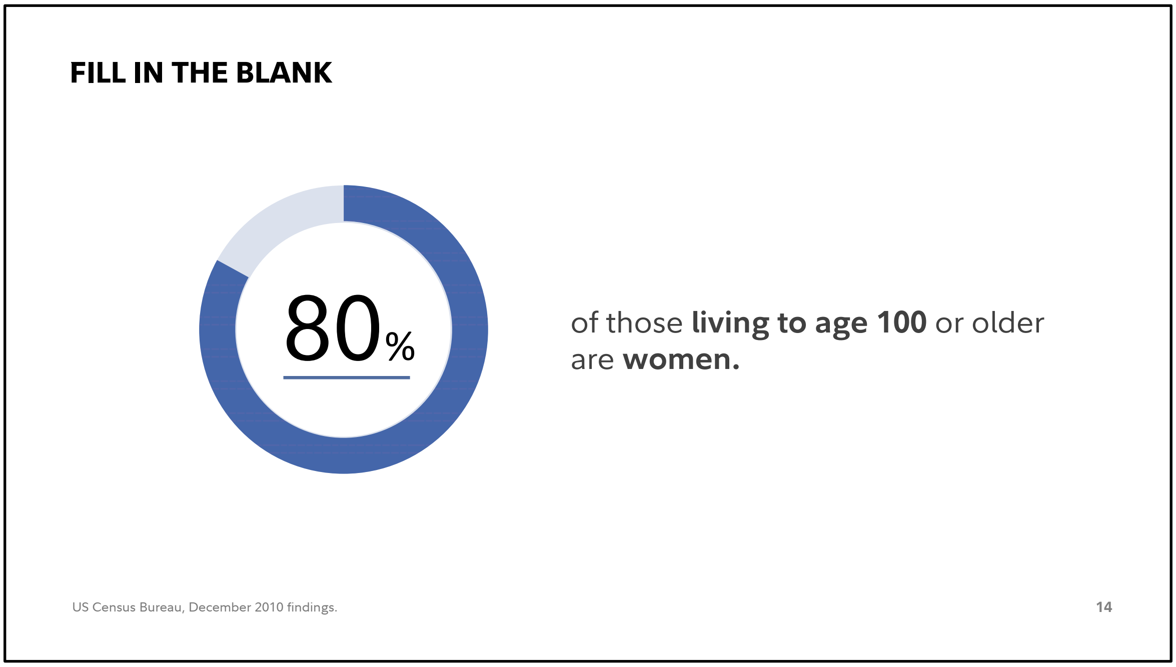
When you live longer, your savings need to last longer.



Fill in the Blank

So, let me ask you: Of those who do live to age 100 or older, what percentage are women?

[Ask for guesses.]



Fill in the Blank

The answer is: More than 80% are women!

RISK 2: HEALTH CARE EXPENSES

Earmark savings for health care expenses in retirement

You'll need to budget for:

- **Medicare**—it is not free
- **Supplemental** health insurance—for other costs
- **Medications**—costs may be significant
- **Long-term-care coverage**—to protect yourself

[1]Estimate is based on a hypothetical couple retiring in 2018, at 65 years old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates with Mortality Improvements Scale MP-2016. Actual expenses may be more or less depending on actual health status, area of residence, and longevity. Estimate is net taxes. The Fidelity Retiree Health Care Costs Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government's insurance program, Original Medicare. The calculation takes into account cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by Original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services, and long-term care.

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Risk 2: Health Care Expenses

Longer life spans, rising medical costs, declining employer-sponsored medical coverage, and possible shortfalls for Medicare add up and make health care expenses a critical challenge when you're planning for your retirement.

You'll want to earmark a sizable amount of savings for your health care needs in retirement. It's important to look at your personal situation carefully and get the right estimates for the health care you'll need.

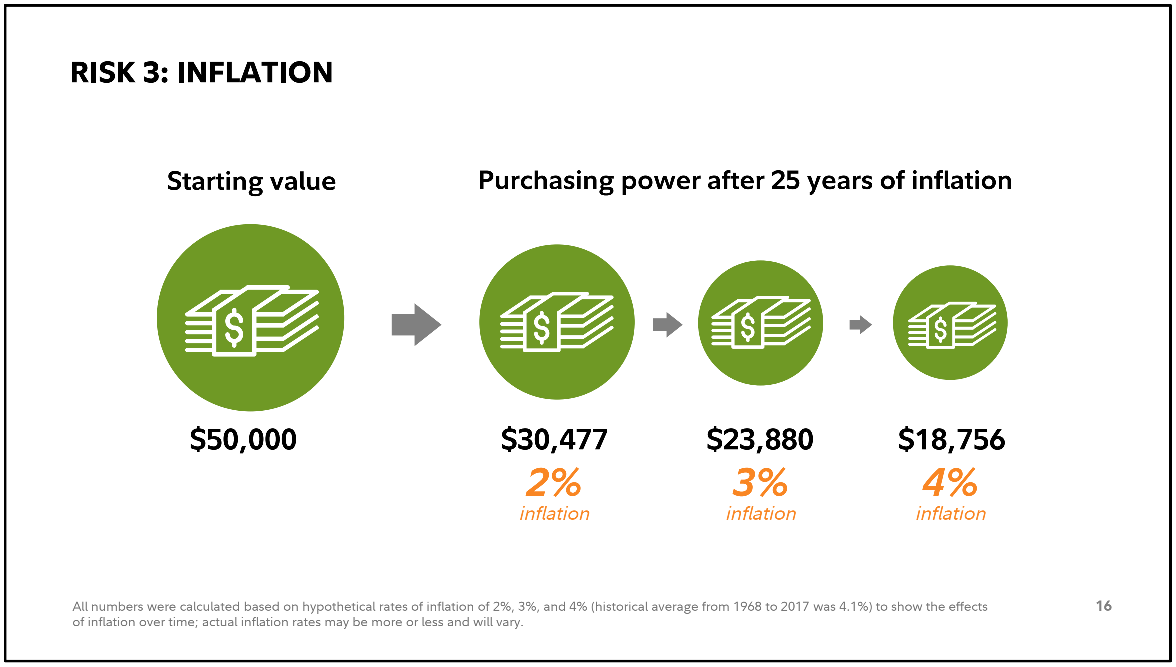
It probably won't surprise you that health care costs tend to go up as you get older. What may be surprising is by just how much: Our research suggests that the average couple retiring in 2018 could expect to spend about $280,000 on out-of-pocket health care costs during their retirement.[1]

In your budget, you'll need the following estimates:

- Medicare. This begins once you reach age 65. It's not free — and the annual premiums increase every year. Your Medicare premiums will be deducted automatically from your Social Security payments.
- Because Medicare does not cover all of your medical needs, you'll likely need to add supplemental insurance, or a Medigap policy. These differ by state, and you should spend some time comparing the coverage and the costs well before you need to make any decisions.
- As we age, our prescription use may increase, and many of the medications are quite costly. Once you move off your employer's plan, you may have a significant increase in medication costs.

A quick, back-of-the-envelope estimate for health care often ranges from $500 to $1,000 per person, per month. That's $6,000 to $12,000 per year, depending on your health situation. Addressing your personal situation early in the planning process is really important. Plus, you need to think about how you'll fund your long-term care needs. When you don't have a spouse or partner to be there to provide at least some care, you'll want to make doubly sure that you know your options if you ever need higher-level care.

For additional information about Medicare, go to our Webcast Hub at Fidelity.com/webcasts.



Risk 3: Inflation

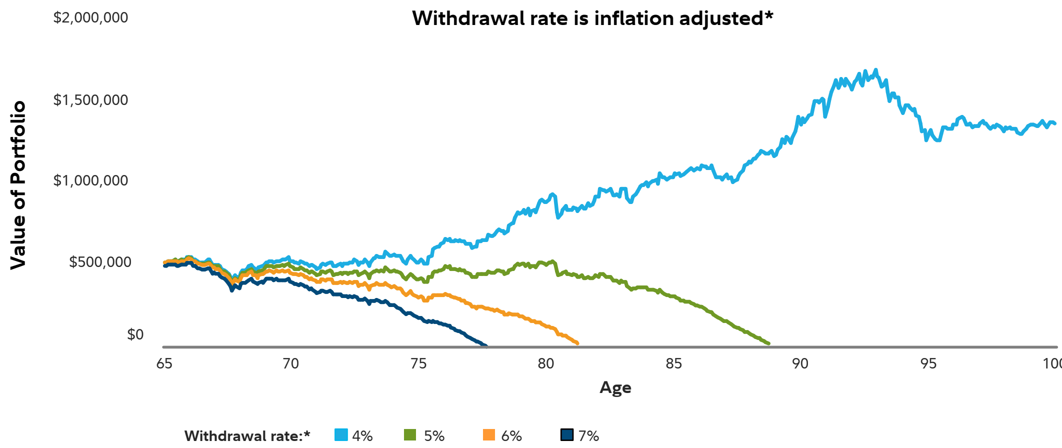
Inflation is a "silent" risk. Unlike the wild swings we experience in the investment markets, inflation is relatively quiet and has managed to remain within a tight range. After the spike in costs in the early 1980s, inflation has remained largely in the range of 2% to 4% per year.

Even at low rates, inflation can wreak havoc in two significant ways: It erodes your savings and increases the price of goods.

To put this into perspective, the return on your investments is a market return. But the real return is net of inflation. So, if your portfolio increases by, say, 8% this year, and inflation is 2%, the real return is 6%. The statement value of your investments is one metric, but purchasing power is another, and inflation erodes it steadily.

For example, if you have $50,000 in your portfolio, it'll buy $50,000 worth of goods and services today. But, if inflation runs at 2% per year, 25 years into retirement, that same $50,000 will buy only $30,477 worth of goods. If inflation runs at 3%, your purchasing power will drop to $23,880; and at 4% inflation, it will only be worth $18,756.

RISK 4: EXCESS WITHDRAWALS



*Hypothetical value of assets held in a tax-deferred account after adjusting for monthly withdrawals and performance. Initial investment of $500,000 invested in a portfolio of 50% stocks, 40% bonds, and 10% short-term investments. Hypothetical illustration uses historical monthly performance, from Ibbotson Associates, for the 35-year period beginning January 1972: Stocks, bonds, and short-term investments are represented by the S&P 500® Index, U.S. Intermediate-Term Government Bond Index, and U.S. 30-day T-Bills, respectively. Initial withdrawal amount is based on 1/12th of applicable withdrawal rate multiplied by $500,000. Subsequent withdrawal amounts are based on prior month's amount adjusted by the actual monthly change in the Consumer Price Index for that month. This chart is for illustrative purposes only and is not indicative of any investment. Past performance is no guarantee of future results.

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Risk 4: Excess Withdrawals

Next, we'll talk about excess withdrawal risk, which essentially translates to: How much money can you withdraw each year from your retirement without running out?

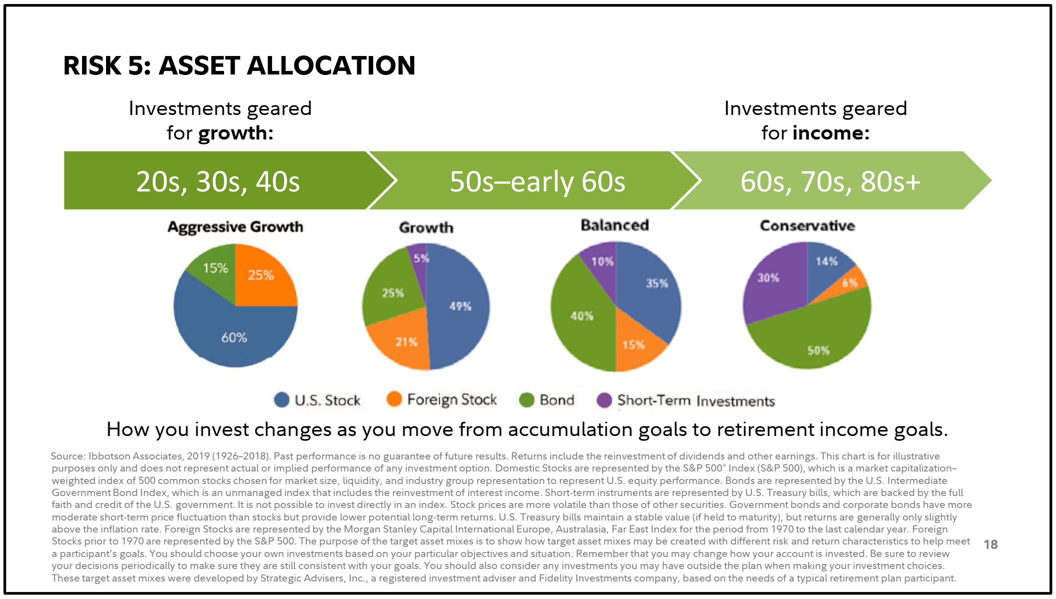
When you think about how much money you may need to live on in retirement, you need to determine what percentage of your portfolio you'd be withdrawing. This is the rate at which you're drawing down assets. If you draw down too much too early, you run the risk of running out of money; if you draw down too little, you may not be able to enjoy your retirement.

If you retire at age 65, your inflation-adjusted withdrawal rates should be from 4% to 5% per year. Based on our hypothetical illustration, we found that an inflation-adjusted withdrawal rate of more than 5% could increase the risk of depleting retirement savings during an investor's lifetime.

What's particularly powerful about the time period reflected in this illustration is that it spans up markets, down markets, and even the Great Recession.

It's important to think about your withdrawal rate based on your age. If you're retiring at age 75, you can probably take more out of your portfolio. If you are retiring at age 55, you'll need to take out less.

You're in control of your withdrawal rate, so it's important you find an appropriate rate to help your money last. Your Fidelity representative can help you with that.



Risk 5: Asset Allocation

The next risk is asset allocation risk. Asset allocation is the percentage, or mix, of stocks, bonds, and/or short-term investments contained within your portfolio.

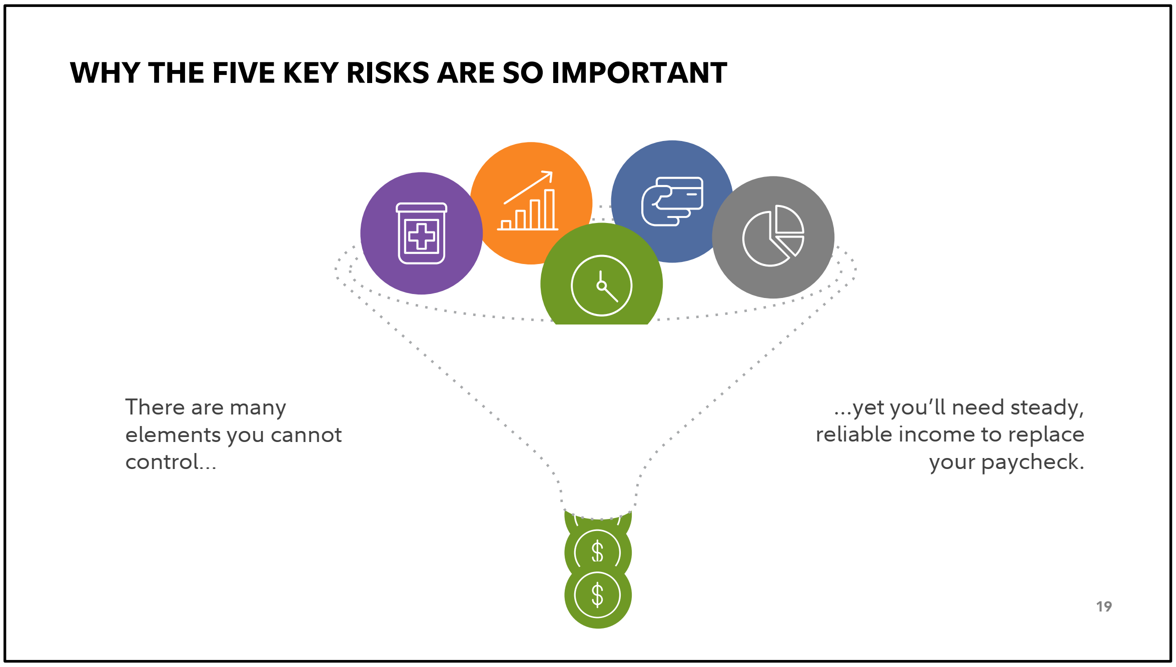
Over your career, your portfolio was designed to help you reach certain goals—one in particular, retirement. You've been saving and, hopefully, getting more comfortable investing, trying to grow your assets so that you have a sufficient "nest egg."

Now that you are approaching retirement, you may need to rethink your overall asset allocation to create income from those assets. You may be less comfortable exposed to market ups and downs. In addition, you may have new sources of income coming into the mix — such as Social Security, pension payouts, or annuities.

The asset mix that may be best for you depends largely on your risk tolerance, financial situation, and time frame. You will need to pay close attention to strategies that help ensure that your assets will be available for a long retirement horizon.

Finding a balance between growth and preservation is an important step to feeling more confident in your strategy.

Keep in mind that a sound asset allocation and well-diversified portfolio does not ensure a profit or guarantee against a loss. Your investment returns will vary based on actual investments, returns, and losses.



Why the Five Key Risks Are So Important

We've looked at the five key risks: longevity, health care, inflation, withdrawal rate, and asset allocation. All five of these risks intersect and combine, which can make it challenging to ensure that your money will last through retirement.

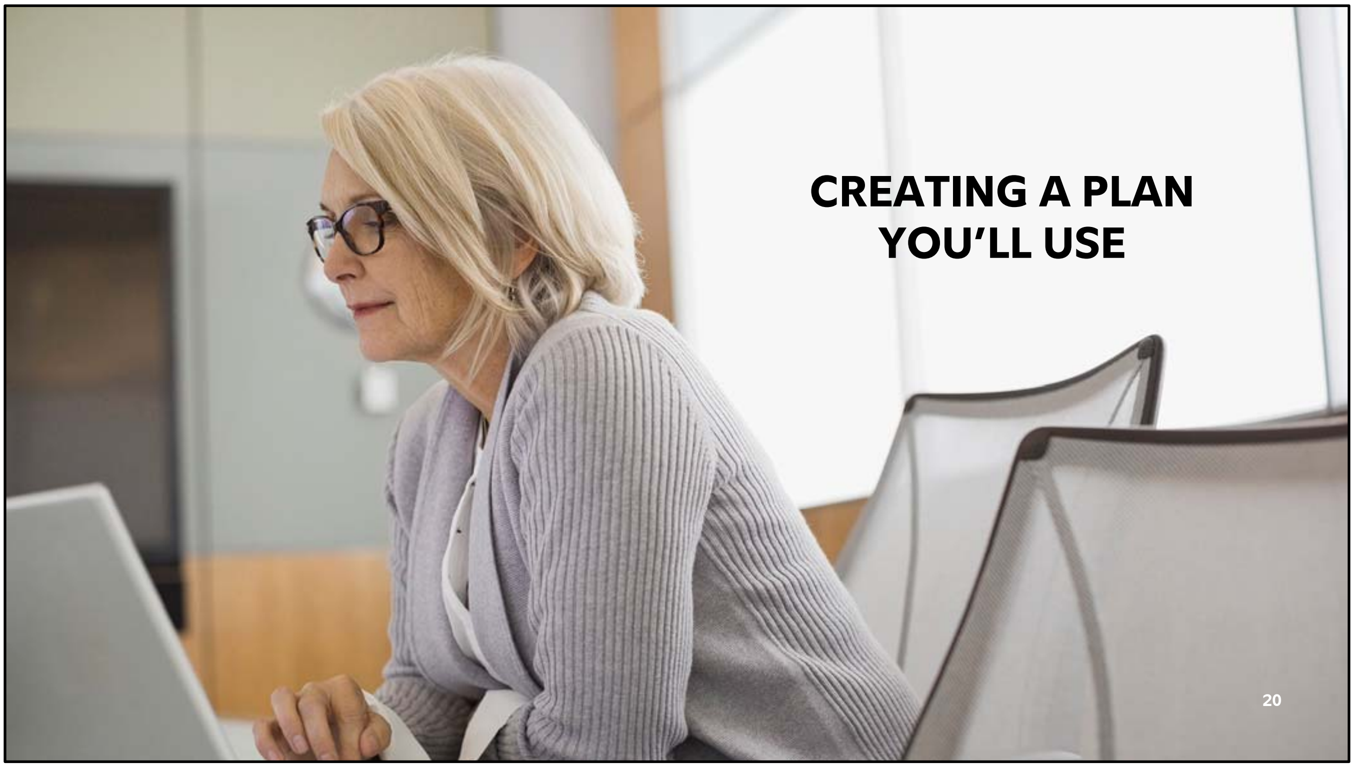
It may be helpful to think about the risks and their implications to your savings this way:

Four of the five risks are market driven so you can't control them, but to some degree, you can control your withdrawal rate. All of the risks affect the value of your savings.

You will need a steady stream of reliable income each month in retirement; you're creating something similar to a "paycheck" so that you can manage your monthly expenses.

There are tools and resources to help you figure out what you may need for income.

It takes some time to get comfortable with moving from saving for retirement to spending in retirement. The first step is to build a retirement income plan now, to help you get a clear direction of where you're going.



Creating a Plan You'll Use

Now let's discuss why you would want to create a retirement income plan.

It can help you:

- Make your retirement savings last.
- Live the retirement you envision.
- Build a legacy.

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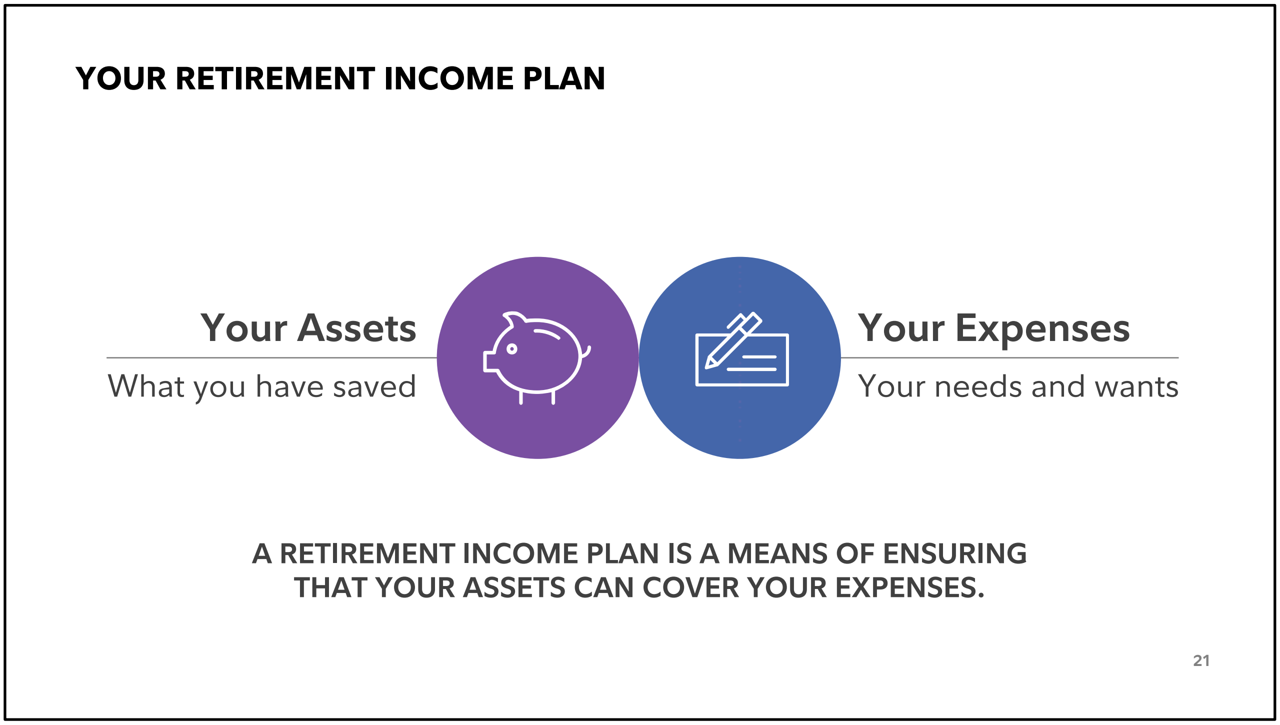


Your Retirement Income Plan

It's important to know what a retirement income plan is designed to do.

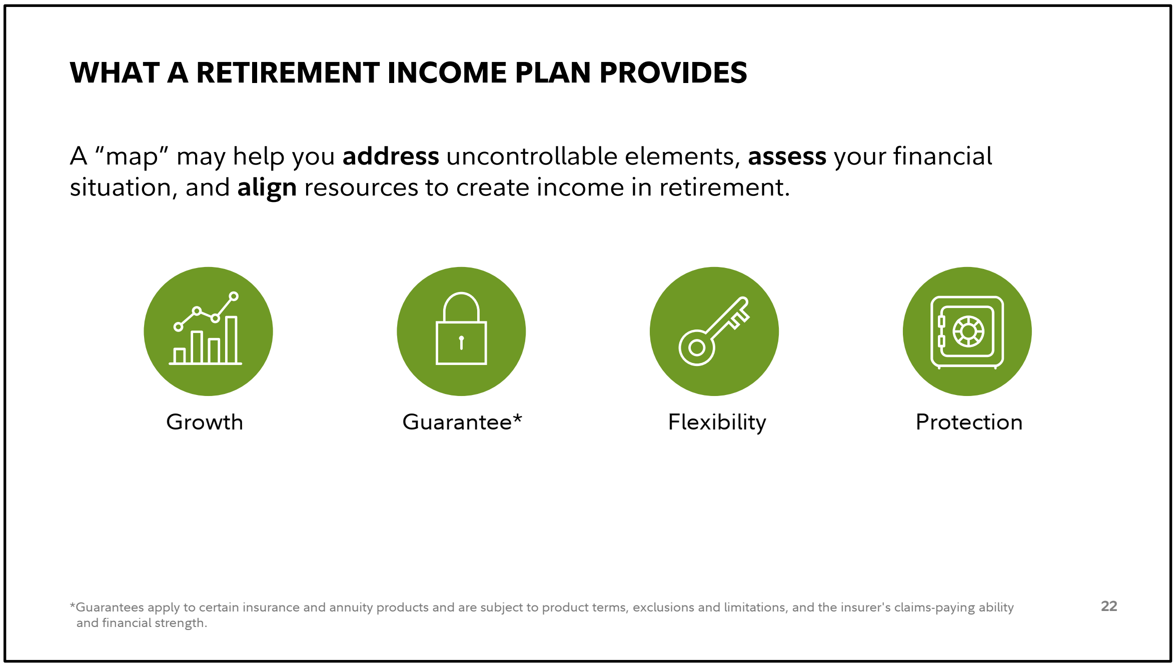
Like a blueprint to a new house or a recipe for a new dish, a retirement income plan is designed specifically for you and is defined as:

A detailed plan to help you determine how you may use your financial resources to generate income to meet your goals.

Simply put, a retirement income plan is a way of ensuring that you can match what you have saved—your assets—with your retirement "needs and wants"—your expenses—so your ability to live out your retirement dreams will last.

You can create a plan by using our planning tools, available on NetBenefits, or by working with one of our Fidelity representatives. It can be simple or very detailed. The key thing is to get started—even if you are only in your early to mid 50s. Creating a plan will help you make some important decisions about your savings strategies, your work life, and your time.

How many of you already have such a detailed plan? [Solicit feedback.]



What a Retirement Income Plan Provides

Overall, your retirement income plan is your financial map. It helps you address those uncontrollable elements such as inflation and your own longevity. It's a tool that assesses your financial situation and aligns your resources to create an income in retirement. You'll need to replace that paycheck that you get every week or month from your employer. To be successful, you'll need to prepare and create a plan.

As you develop your plan, you will need to consider the trade-offs of these four priorities:

1. **Growth of your portfolio.** Just because you're retiring doesn't mean you're out of the market. Your portfolio should address your new risk tolerance and your withdrawal needs while still taking advantage of market appreciation to counterbalance inflation.

2. **Guarantees to protect income.** Solutions that come with a guarantee, such as certain types of annuities, pensions, and Social Security, can offer you an income stream that you won't outlive. They typically have some limitations (access to your money, higher fees), but may be a good option for covering your essential expenses.

3. **Flexibility.** Life is unpredictable. Sometimes opportunities arise or an unexpected need pops up. It's a good idea to position some of your assets in more accessible investments.

4. **Principal preservation.** Handling monthly recurring expenses without tapping into your retirement principal balance can be beneficial in retirement. Typically, this takes a large amount of capital or a very low spending rate to accomplish. It can leave you open to inflation risk, but there are approaches that you can implement to help preserve your capital.

The general rule of thumb is to mix and match different types of income-producing investments to meet your retirement needs. Each type of investment has its own benefits and trade-offs, and you want to select the most appropriate mix for you.

This may seem like a lot to plan and prepare for. Fidelity is here to help you create a retirement income plan that fits your unique situation. Next we will talk about the steps it would take to create your plan.

Building Your Customized Retirement Income Plan

It is helpful to follow specific steps using your own information. Here is how we approach developing a retirement income plan:

1. **Take inventory of your income and expenses.**
2. **Cover your essential expenses first** by aligning your income sources**.**
3. **Make the most of Social Security.**
4. **Fund discretionary expenses** after you know your essential expenses will be paid for throughout retirement.
5. **Review your plan regularly** — at least once per year—so you can make adjustments and revisions that reflect how you are living in retirement. If planning with a partner, make sure you go through this process together.

This isn't a "one-and-done" process. Over time, your priorities may shift, or your situation may change. This plan is designed to be structured yet flexible, so you can make adjustments over time to reflect your changes.

Let's review each step individually, then go through a couple of examples and look at how you may build a plan.

INVENTORY EXPENSES VS. INCOME

Step
1

Categorize expenses—essential vs. discretionary
Identify expenses that may increase or decrease
Consider your personal situation:

- Family needs
- Living arrangements as you age
- Debts
- Long-term care coverage
- Cost of retirement "fun"

Use a planning tool that works for you

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Inventory Expenses vs. Income

Before focusing on the financial side of retirement, you need to give some thought to how you'll spend your days and what you want to do.

Then, you'll be ready to map out those expenses you need to plan for in retirement. There are two types of expenses: essentials and discretionary.

Essential expenses are those that you absolutely must have money for—housing (which includes homeowner's insurance, household repairs and maintenance, mortgage, property tax, rent/condominium fees), health care, food, etc.

Discretionary expenses are those that you could give up if you don't have the money to support them. For most retirees, these include lifestyle items like travel or dining out. You're not giving these things up, but in the years when you are uncomfortable about the market, you're willing to scale back on them or postpone them.

You may want to think about which expenses may **increase or decrease in retirement.** While some expenses may decrease in retirement (you're likely to spend less on work clothing or finalizing your mortgage, for example), other expenses, such as health care, are almost certain to increase.

Your **personal situation** will drive your expenses, so think about how your family needs may influence your expenses. Address your living arrangements for early retirement years and late retirement years. Plan for paying down any outstanding debt and covering potential long-term care needs. And, don't forget about planning for fun!

Use a planning tool that works for you. Pulling together your inventory can be a detailed project or a simple outline—it's important to choose a tool that you'll use. You can just look at your checkbook register or pull your monthly bank statement from the bank's website. You may prefer to use a budget worksheet that lists all the major expense categories and divides them into essential and discretionary groups. Or, you can use a variety of online tools—whatever works for you!

COVER ESSENTIAL EXPENSES

Step
2

Identify sources of lifetime income:
- Social Security—how to make the most of it
- Pension plans
- Fixed income annuities*

Use assets to close any gap and cover health care expenses:
- Regular withdrawals from reliable asset sources such as 401(k) and 403(b) plans
- Consider long-term care and life insurance

*Guarantees apply to certain insurance and annuity products and are subject to product terms, exclusions and limitations, and the insurer's claims-paying ability and financial strength.

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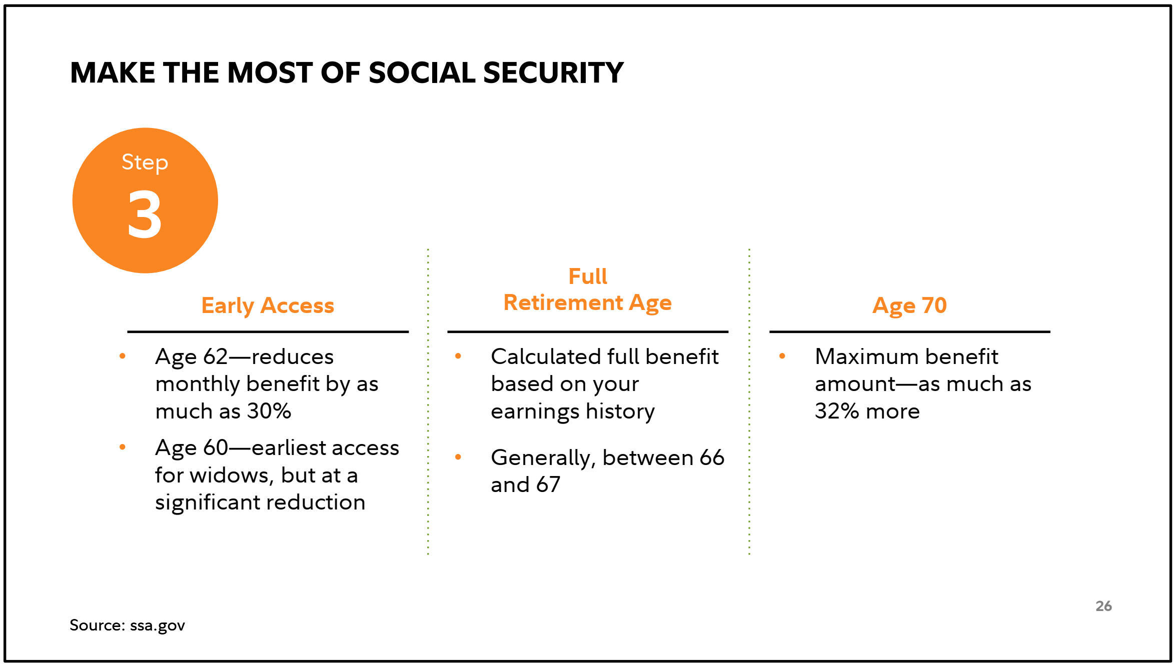
Cover Essential Expenses

In step 2, you'll identify sources of income that provide you with payments over your lifetime to cover essential expenses. Typically, these include Social Security, employer pensions, and fixed income annuities. When you combine all these lifetime sources, you can see whether these sources cover all your essential expenses.

If they don't, you'll then look at your assets to close any gap and make sure you have a strategy for covering your health care costs. Here's where you monitor your withdrawal rate, making sure you stay within the sustainable range. Revisit your long-term care options and life insurance to see how they factor into your retirement income plan as well.

You may find it helpful to work with a Fidelity representative to figure out a strategy for covering your essential expenses. There are several options, starting with Social Security, pension plans, and an income annuity. Social Security is part of Old-Age, Survivors, and Disability Insurance (OASDI), a social welfare and insurance program managed by the U.S. federal government. OASDI pays benefits to retirees, as well as to workers who become disabled and to survivors of deceased workers. Its purpose is not to provide complete financial support or to represent a total retirement package. Social Security benefits, rather, are an important part of your retirement income plan.

An income annuity immediately converts a one-time purchase payment into a stream of income payments guaranteed by the issuer to continue for the rest of your life or for a certain period of time. Keep in mind that you may have limited or no access to the assets used to purchase income annuities. *(And remember, guarantees are subject to the claims-paying ability of the issuing insurance company.)*



Make the Most of Social Security

Social Security is one of the more important sources of lifetime income for most individuals (though not all), and is one of the most critical retirement decisions you'll make. It'll affect how much you'll get in guaranteed payments each month and how much of your portfolio you'll need to withdraw to fill any gap in expense coverage.

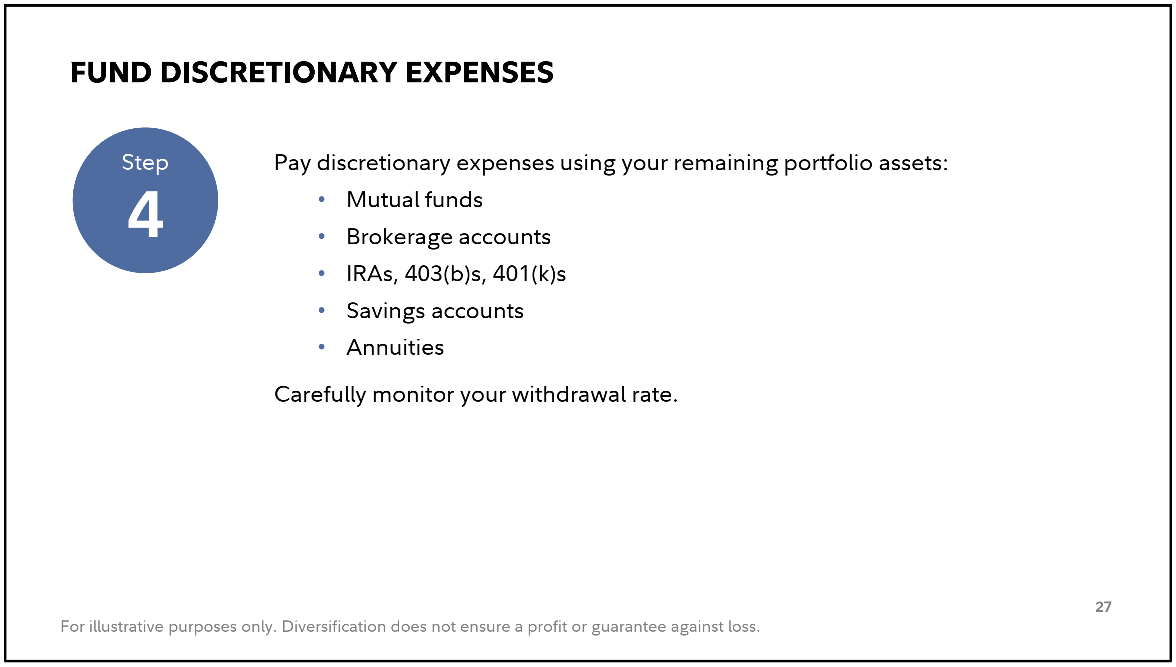
In general, there are three timing strategies available to you:

1. The first option is **early retirement**. Unless you are a widow and have not remarried before age 60, the earliest age you can start collecting Social Security is 62. If you choose to collect early, you lock in a permanent lower monthly benefit. Depending on your year of birth, your benefit could be reduced as much as 30%. If you are a widow, you can typically tap Social Security as early as age 60, but the reductions in your monthly income are significant. Talk to the Social Security Administration before you decide on your claiming strategy.

2. The second is to **wait until your full retirement age** to collect your scheduled benefit. Full retirement age ranges from 65 to 67, depending on the year you were born. This is your "real" Social Security benefit. It's calculated on your earnings history, based on your highest 35 years.

3 . You can also wait to collect **after your full retirement age**. In this case, you could receive up to 8% more per year by delaying future monthly payments up to age 70.

There are many different optimizing strategies that you may consider. You'll want to spend some time on the Social Security website or telephone to determine your options and consider them carefully based on your situation: www.socialsecurity.gov or **800-772-1213. You can also speak with your tax advisor for guidance.**



Fund Discretionary Expenses

Discretionary expenses are for those dreams that all of us have for retirement—traveling, visiting the grandkids more often, exploring new hobbies, entertainment, etc. We often talk about discretionary expenses in terms of our "lifestyle." Everyone will have a different point of view on their retirement lifestyle, and so may your partner or spouse, which can make for some very interesting conversations!

In most cases, you'll need to prioritize your lifestyle wants, plan for them, and pay for them. The remaining assets you have in your portfolio, after you've covered all your essential expenses, then become available for discretionary spending. Again, you'll need to manage your investment strategy, asset allocation, and your withdrawal rate.

You'll want the investments in your accounts to match your risk profile, just as they have during your accumulation years.

Be careful to monitor your withdrawal rate. The most important thing to remember is that discretionary items need to be flexible. Three situations typically come up during retirement that need to be funded:

- Your regular lifestyle plans — You'll need to manage your investment strategy and withdrawal rate to help ensure that your assets last. In some years when the market is positive, you may be able to withdraw more, while in lean years, you may need to withdraw less.
- Special occasions — You may want to host a big family reunion or take an extended vacation. It's important to celebrate important milestones with your family and friends. Planning for these occasions can help you manage your discretionary assets.
- Emergencies — Well, anything can happen when you least expect it. An emergency fund is an important piece of your discretionary plan to cover unplanned expenses.

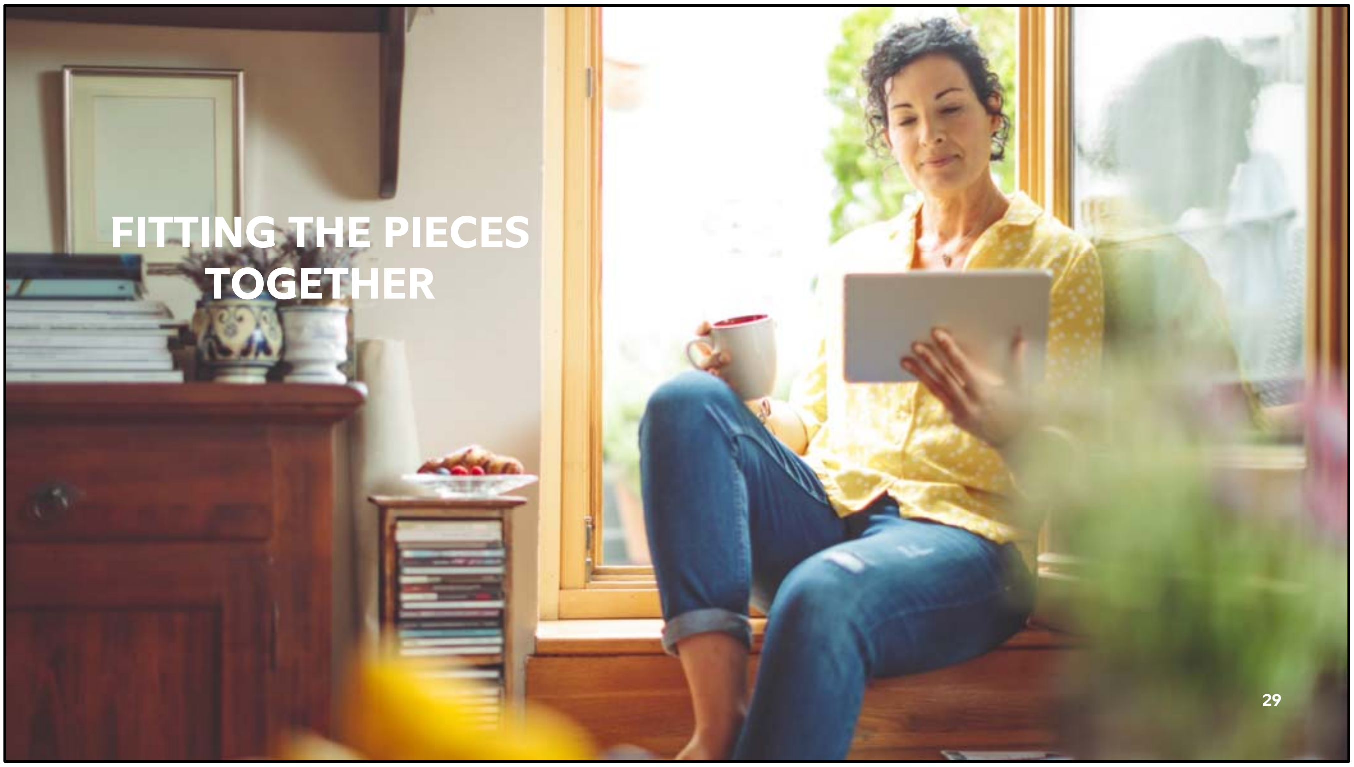
Monitor Your Plan Each Year

Step 5 is all about the importance of examining your plan regularly. At Fidelity, we recommend that you revisit your plan at least once a year. You can do this at any time, but many retirees find it fits in best at the beginning of the year when dealing with tax filings and reviewing year-end balances.

In this step, you'll:

- **Look at changes in your situation —** Are you moving? Did you or a loved one fall ill? Does a family member need financial support?
- **Reassess your expenses —** Are you spending too much or too little? What can you do to fix any issues? Which expenses went up over the past year — taxes, fuel, health care?
- **Review your retirement income goals —** What has changed since last year? What new opportunities have come up that you want to include?
- **Determine if new income sources are available** — Will you be starting Social Security or required minimum distributions? Did you finish paying a debt and now have that amount for something else?
- **Rebalance your portfolio** based on your risk tolerance — Has anything changed that would make a difference in how you take on investment risk?
- **Ensure that your beneficiaries are up to date —** A key step that many of us forget. Is there a new grandchild or charity to add? A beneficiary to remove?

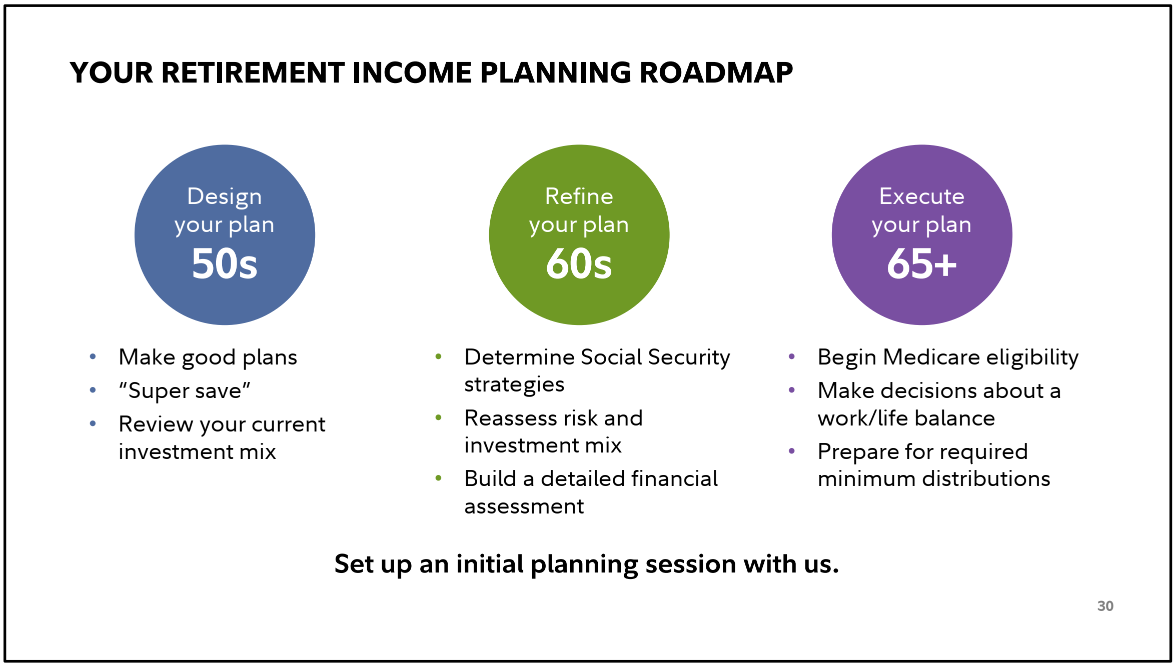
These steps will show you how to improve your retirement income plan, so it provides more effectively for the retirement you have imagined.



Fitting the Pieces Together

We’ve covered a lot of ground today.

Success is fitting the pieces together so you can see how the retirement income planning process can work for you.



Your Retirement Income Planning Roadmap

It's important that you not only build your plan, but that you use it as a decision-making tool. We often hear that our customers don't know when to work with us to build a plan for retirement income. It's never too early!

(CLICK) For those of you in your 50s, this is really the ideal time to get that initial plan designed. You don't have to spend hours building an intricate structure. A quick plan can help you get started. It'll help you see all your expenses and resources. In addition, it's important for you to know your Social Security options to help you decide how long you want to work. If you were married for at least 10 years but are now divorced, you should check whether your Social Security payment will be based on your own work record or your ex-spouse's. If you are a widow, you are eligible to tap Social Security at age 60, but be aware that doing so will cause a significant reduction in monthly income.

You also have the opportunity in your 50s to make changes to your savings and increase your nest egg. Keep in mind that catch-up contributions allow you to contribute an additional $6,000 every year to your employer-sponsored plan after age 50.

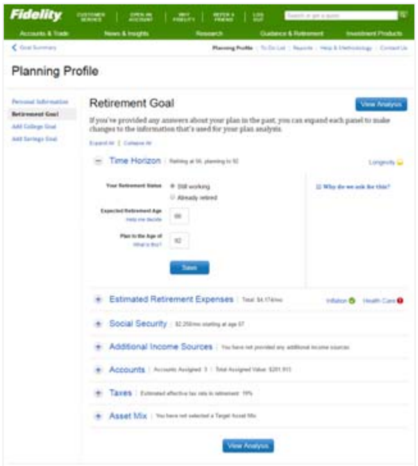
(CLICK) If you are in your early 60s, you should probably plan to construct a more detailed plan. It's really important that you look at how to optimize and maximize Social Security before you file. Taking the time now to reassess your risk level and your asset allocation can help set you up for your future income needs. It's important to get a good handle on your health care coverage and learn about Medicare. A more detailed financial assessment will help ensure that you have complete information before you start making big decisions (like quitting your job).

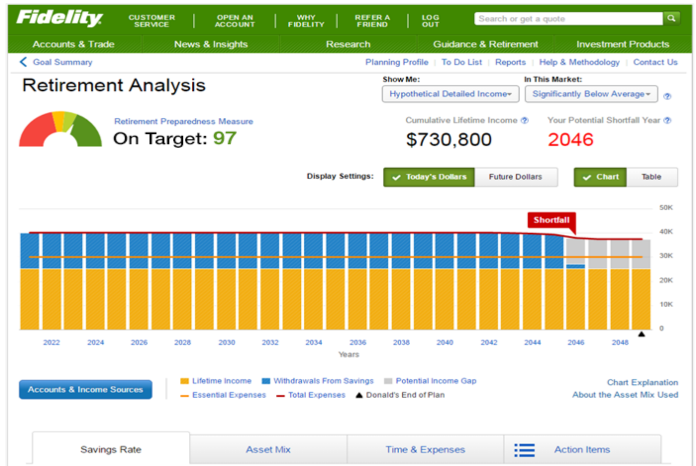
(CLICK) For those who are approaching age 65, it's most important that you understand your Medicare options and how you will get health insurance. You'll want to decide whether you can work to your full retirement age or later, or if you are ready to retire now. It will also be helpful to keep an eye on your upcoming required minimum distributions, or RMDs, that begin at age 70½. Consolidating and organizing your accounts before your RMD is an important step to help ensure that you don’t miscalculate your distribution and potentially incur a 50% IRS penalty.

It is important to build your retirement income plan as soon as possible.

Our Fidelity representatives are happy to help—they know just the questions to ask to help you lay the foundation for a retirement income plan that’s just right for you.

WE'LL WORK TOGETHER TO HELP CREATE YOUR CUSTOM RETIREMENT INCOME PLAN





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IMPORTANT: The projections or other information generated by the Planning & Guidance Center's Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.

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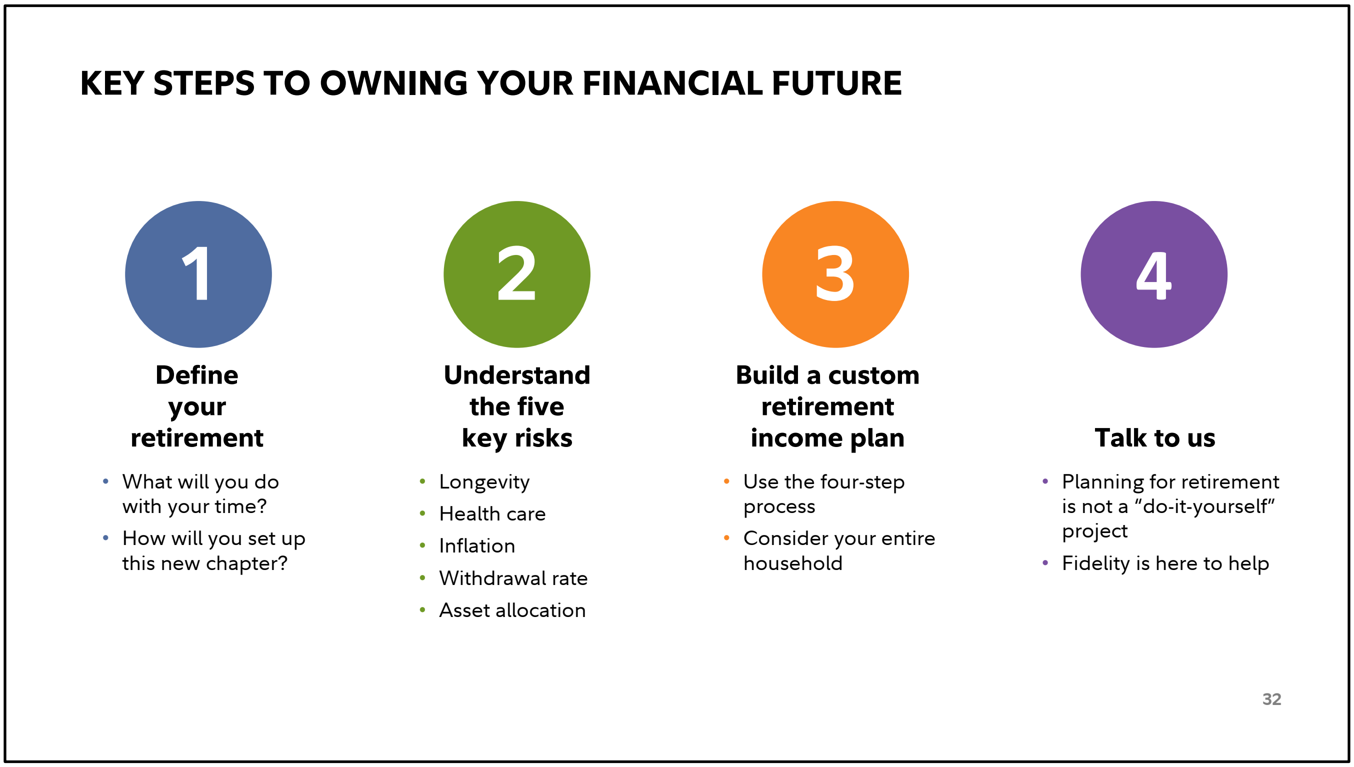
We'll Work Together to Help Create Your Custom Retirement Income Plan

Let's talk about what we cover when you meet with a Fidelity representative. We'll start off by talking about what's going to be most important to you in retirement. We can talk about any of the pieces of your particular situation that could have an impact on your plan. We'll cover your lifestyle wants and needs as well as your financial picture.

Our Planning & Guidance Center is a powerful tool designed to take in all your inputs, apply the five key risks, and use the four-step process to show you a custom plan. You'll be able to see a model of where your income will come from once you retire.

We believe this is a critical step in helping you answer that initial question: *How will you know you're ready to retire?*



Key Steps to Owning Your Financial Future

Let’s take a quick look back at everything we’ve talked about and see how this all fits together:

- We started by thinking about what your retirement may look like. Envision your retirement, enjoy thinking about all the fun things you’re going to get to do, and prepare yourself for some of the challenges you may face.
- Then, we took a walk through the five key risks and the implications they may have on your plans for retirement.
- We shared with you the four-step process for building a custom retirement income plan. You can start today with a simple plan, then get more detailed each year as you get closer to retirement.
- And, we talked about asking questions throughout this process. Creating an income to last maybe 30 years in retirement is not a do-it-yourself project! Fidelity is here to help you every step of the way.
- Give yourself plenty of time, and use all of the resources you have available to see how all of the pieces fit together for your specific situation. No two people will have the same retirement income plan, and that’s just fine. The important thing is for you to be in control of your financial future. And we’ll be there to help, every step of the way.

TAKE THE NEXT STEP TODAY

CALL
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VISIT
with a Fidelity
representative

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Take the Next Step Today

A good starting place is to meet with us. Fidelity representatives can work with you in person or over the phone. They can help you get a clear vision of where you are financially for retirement, help you adjust your retirement savings track, and get you started on your retirement income plan.

- If you already have a formal—or informal—plan, come on in and let us review it with you. This will allow you to get confirmation that your plan is on the right track or uncover some new findings to improve your plan.
- If you don't have a plan, talk with us. We can help you!
- This is a benefit you receive as part of your employer plan.

Make an appointment before you leave today.

Thank you for joining us. We look forward to hearing from you. If you prefer that we call you to set up the appointment, please note that on your evaluation form.

IMPORTANT ADDITIONAL INFORMATION

Investing involves risk, including risk of loss.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

The Ibbotson U.S. 30-Day T-Bill data series is a total return series that is calculated using data from the *Wall Street Journal* from 1977 to present, and the CRSP U.S. Government Bond File from 1926 to 1976.

The Ibbotson Intermediate-term Government Bond Index data series is a total return series that is calculated using data from the *Wall Street Journal* from 1987 to present, and from the CRSP Government Bond file from 1934 to 1986. From 1926 to 1933, data was obtained from Thomas S. Coleman, Lawrence Fisher, and Roger G. Ibbotson's Historical U.S. Treasury Yield Curves: 1926–1992 with 1994 update (Ibbotson Associates, Chicago, 1994).

The S&P 500® Index is an unmanaged index of the common stock prices of 500 widely held U.S. stocks and includes reinvestment of dividends. It is not possible to invest directly in the index.

S&P 500 is a registered service mark of Standard & Poor's Financial Services LLC.

The Consumer Price Index is a widely recognized measure of inflation calculated by the U.S. government that tracks changes in the prices paid by consumers for finished goods and services.

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