Resource Guide

Creating a plan for lifetime income in retirement

Turn here℠

Freedom in retirement starts with income in retirement

When it comes to planning for your future, nothing should be left to chance. That's especially true as you approach your retirement years. There are some questions to be answered: Are you on track to retire? Will your money last as long as you need it to? What's the best way to manage your savings, investments, and other sources of retirement income?

These are important issues. And they may seem a little overwhelming. But by reviewing this brochure, you've made a great start toward getting the guidance you need.

You'll want to save this resource guide and refer to it often as you move into the next stage of your life — and a different kind of financial strategy.

Your Plan Details. Easy Access to Information.

Phone number: ______________________________

Web site: ______________________________

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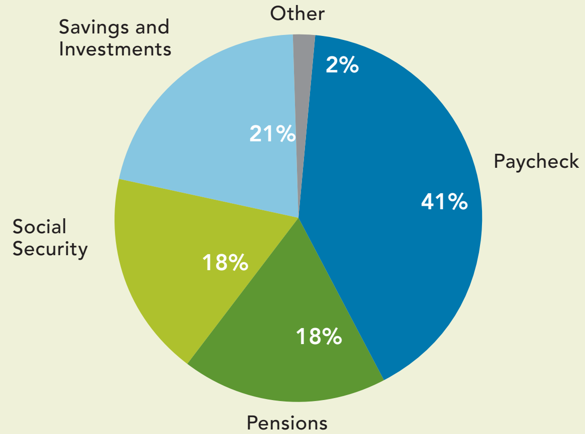
1 Financial Risks in Retirement

Retirement income planning can help you reduce some of the financial risks of retirement and help enable you to live the lifestyle you envision. It also allows you to review your plan regularly—so your plan can adapt and change as important events in your life occur.

The New Retirement Landscape

Why is planning more important than ever? Because, on average, you will be responsible for at least 64% of your retirement income.*



This chart shows that in retirement you may be responsible for 64% of your own income. Some of you will continue to work in some capacity after you've technically retired, and that is what the 41% paycheck represents in the chart. However, if you are not working at all, your "Savings and Investments" will have to cover the gap.

*Source: Social Security Administration, February 2009 Report entitled "Income of the Population 55 or Older, 2006." Data for this chart is taken from Table 10.5—Shares of Aggregate Income for Units 65 or Older, using highest quintile $50,064 per year and higher.

Volatility of the stocks (domestic and foreign), bonds, and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc.

The five key risks

Retirement brings with it some challenges and risks to ensuring that your money lasts for your lifetime. We call these the five financial risks of retirement. Understanding and managing these risks is essential to effectively ensuring you have enough money in retirement, and a formal written retirement plan can help you do just that. If you are two to three years away from retirement, chances are you are ready for a plan. If you are not ready for a plan, understanding these risks and managing them today can help minimize their impact on your retirement assets in the future. **First, let's review these risks.**

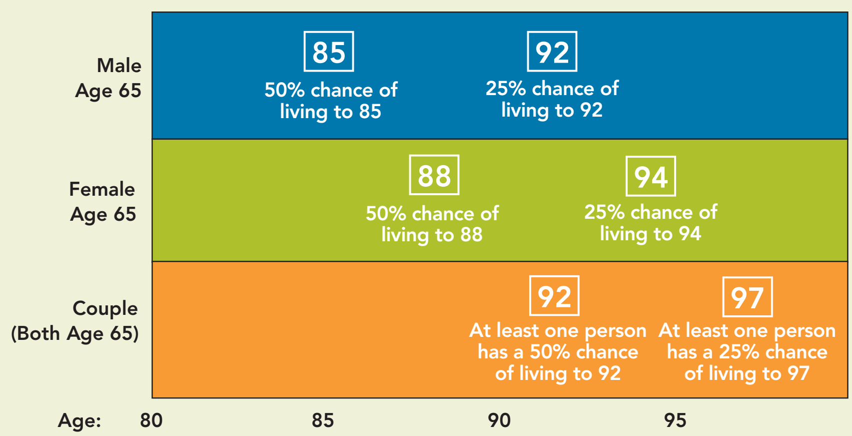
Risk 1: Living longer than your income

Because Americans are living longer than ever before, it's crucial to plan for as many as 30 years beyond the average age of retirement—to age 92 or even beyond. The chart below illustrates what is referred to as the life-span probability. This is different from life expectancy.

For example, for a couple age 65, there's a:

- **50% chance that one of them will be alive at age 92***
- **25% chance that one will still be alive at age 97***

Life spans: the risk of longevity (hypothetical example)



Annuity 2000 Mortality Table, American Society of Actuaries. Figures assume you are in good health. For illustrative purposes only.

*Fidelity Research Insights Report, Retirement Income Planning, November 2007.

Risk 2: Not being able to afford to pay for health care

It's estimated that a 65-year-old couple will need about $360,000 to pay for out-of-pocket health care costs for a life expectancy of ages 92 and 94 for males and females, respectively, and $225,000 for ages 82 and 85 for males and females, respectively.* As a result, it's important that you understand the options that may be available to you during retirement.

Don't forget to consider Medicare
For nondisabled individuals, eligibility for this federal health insurance program begins at 65. There are two parts to the program. The original Medicare Plan is managed directly by the government, while the Medicare Advantage Plan is provided by private insurance companies. There are key differences between these programs, which you'll want to take the time to understand.

Considering the need for long-term care
As you approach retirement, you may want to consider buying long-term care insurance. Most policies pay for formal care in a variety of settings, including your own home, adult day care centers, assisted living facilities, and nursing homes. Coverage varies depending on the type of policy and the amount of coverage purchased. More and more employers are offering group long term care insurance in the workplace. These policies can be a good value and easy to obtain.

As medical advances help people live longer, the likelihood that long term care will be needed increases. The out-of-pocket costs for formal care may continue for months or years, damaging an otherwise sound retirement income plan. An informed plan for accessing or paying for your long term care needs, or those of a loved one, can decrease the chances of running out of money in retirement.

*Source: Fidelity Retirement Services Consulting, 2008. Based on a couple retiring with life expectancies of average individuals (82 male, 85 female).

Medical coverage options for retirees can include:	
Retiree Medical Coverage	If your employer allows you to continue your coverage, it may be your best bet. Among the advantages: You're already familiar with the plan, and you won't have to choose a new doctor.
COBRA Coverage	Under the federal government's Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), you may have the right to continue with your employer's group health plan after you leave your job. However, the coverage period is limited. And you'll pick up both your and your employer's share of the premium payments, and pay an administration fee.
Converting Coverage	This option, if available, lets you convert your current group coverage to individual coverage with the same insurance company. Your co-pays and other terms of coverage may change. And, as with COBRA, you'll pay more than you do today.
Spousal/Domestic Partner's Coverage	This can be an attractive and affordable option. Many plans allow newly retired spouses or partners to begin coverage immediately, rather than waiting until the next annual enrollment period.

TIP
Sign up for Medicare three months before your 65th birthday. For more information on the program and eligibility, including the differences between the original Medicare Plan and the Medicare Advantage Plan, visit **www.medicare.gov** or call **800.633.4227.**

Risk 3: Spending too much, too soon

It's also important to consider the rate at which you'll withdraw and spend your money. Planning for longevity means planning to make your money last for at least your lifetime.

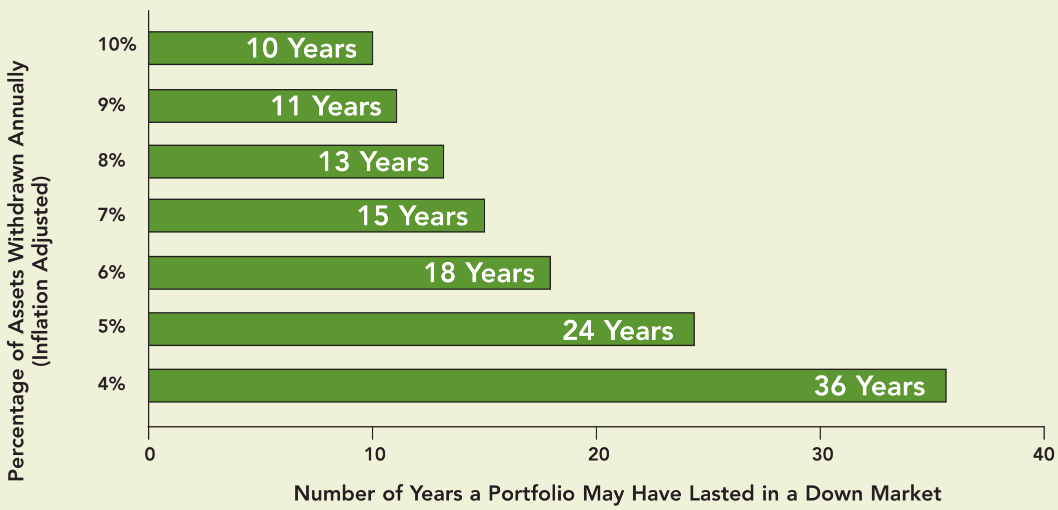
The chart below shows how long a portfolio of 70% stocks, 25% bonds, and 5% short-term investments could last at different rates of withdrawal (which have been adjusted for inflation):

- A 4% withdrawal rate could last for 32 years—that is, to age 97—for a couple who retires at age 65.
- But moving to just a 6% withdrawal rate runs the risk of depletion in just 17 years—at age 82—when both men and women have about a 50% chance of surviving.
- Just a 2% difference could result in almost 15 years of lost income.

Of course, higher rates would deplete the income available even more rapidly. So, when setting up your income plan, be sure to consider your personal situation and needs when assessing the rate at which you withdraw.

The risk of withdrawing too much (hypothetical example)

Withdrawal rates can impact the life of a portfolio. This chart shows how long the same growth portfolio might have lasted given different rates of withdrawal.



Source: Fidelity Investments. Hypothetical value of assets held in an untaxed balanced portfolio (50% stocks, 40% bonds, and 10% short-term) and inflation-adjusted withdrawal rates as specified. Returns for stocks, bonds, short-term investments and inflation are based on the risk premium approach. Actual rates of return may be more or less. The chart is for illustrative purposes only and is not indicative of any investment. Past performance is no guarantee of future results. Volatility of the stocks (domestic and foreign), bonds, and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. See "Methodology and Important Information" at the end of this guide for further details about indexes and methodology used to produce the chart.

Risk 4: Not keeping up with inflation

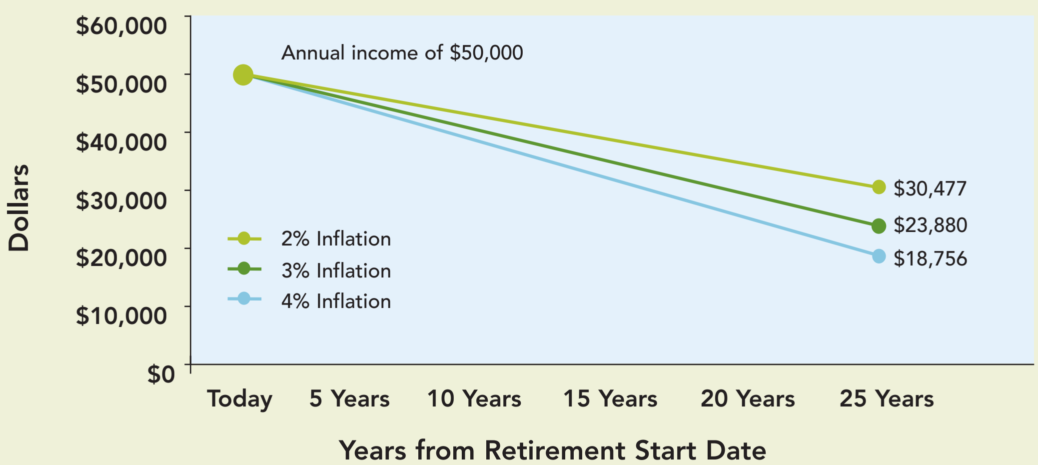
Inflation can also erode savings over time. Increases in the cost of living mean that your purchasing power diminishes over time, unless your growth rate can keep pace with inflation. In short, you'll need to meet or beat inflation just to maintain your current standard of living.

Inflation puts retirees' lifetime income at risk in two ways:

1. It curtails your purchasing power. Even a relatively low inflation rate of 2% can have a significant impact on a retiree's purchasing power. For example, a gallon of milk that cost about 65 cents in 1970 can cost you $3 or more today.
2. Unless you hold investments that outpace inflation, it can also erode the value of the assets you need to meet those rising expenses. This may be especially damaging for retirees who sell their equities and move 100% of their assets into short-term instruments.

The risk of not keeping pace with inflation (hypothetical example)

Even low inflation could potentially erode your purchasing power over time. This is one reason why a proper investment mix is essential to keeping up with inflation.



All numbers were calculated based on hypothetical rates of inflation of 2%, 3%, and 4% (historical average from 1926 to 2006 was 3%) to show the effects of inflation over time; actual inflation rates may be more or less and will vary.

Risk 5: Market risk and investment mix

Because you could live in retirement for 25 to 30 years — or more — your investments also need to have the potential for growth in order to beat inflation. This is why an appropriate investment mix is so vital to your retirement income.

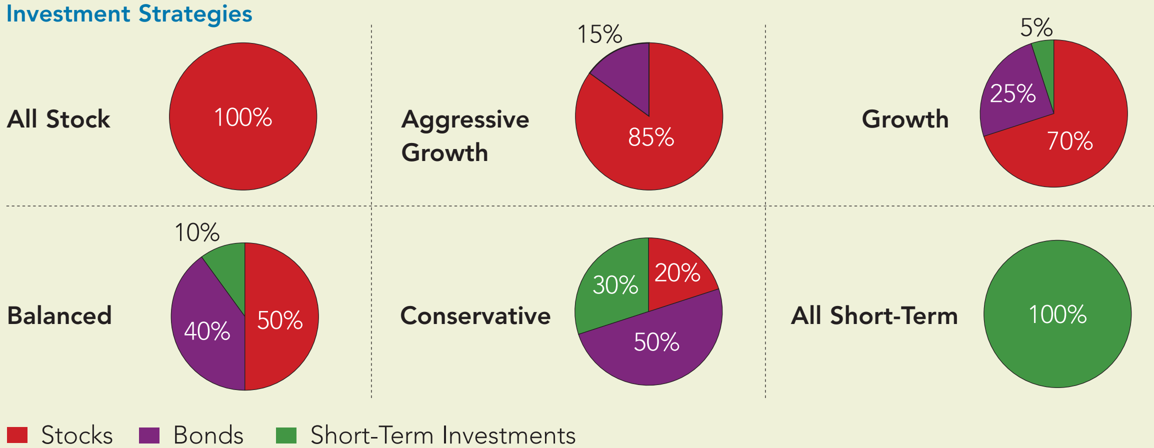
Your investment mix is the proportion of different stocks, bonds, and short-term (cash equivalent) investments you have in your portfolio. Having an appropriate mix can help you keep pace with inflation, grow your assets, and help cushion your portfolio through periods of market volatility.

Retirement portfolios need a sufficient mix of diversified equities because historical experience suggests that these investment options have the potential for long-term growth over many years of retirement, although past performance is no guarantee of future results. Retirees with portfolios overly concentrated in conservative investments run more of a risk of outliving their assets. Please note that your investment mix does not ensure a profit or guarantee against loss.

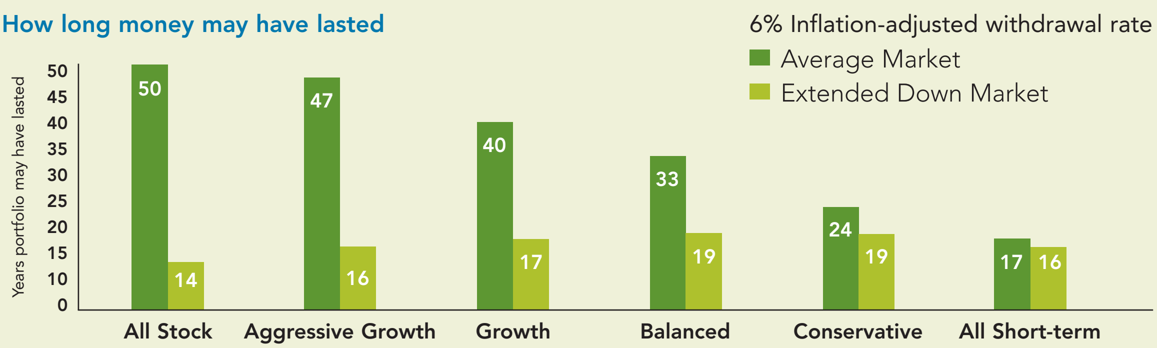
Retirees need stocks for the long haul

How long your money lasts may depend on your investment mix and the long-term performance of the market. Visit Fidelity.com to use Fidelity's Portfolio Review tool. This takes just a few minutes and will help make sure your investment mix is correct based on your time horizon, risk tolerance, and financial situation.

Investment Strategies



How long money may have lasted



Source: Strategic Advisers, Inc., a Fidelity Investments company. Average rates of return for stocks, bonds, short-term investments, and inflation are based on the risk premium approach. Actual rates of return may be more or less. The chart is for illustrative purposes only and is not indicative of any investment. Past performance is no guarantee of future results. See "Methodology and Important Information" in the back of this guide for further details about indexes and methodology used to produce the chart, including definitions of "Extended Down" and "Average" Markets.

Volatility of the stocks (domestic and foreign), bonds, and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc.

2 Build a Retirement Income Plan

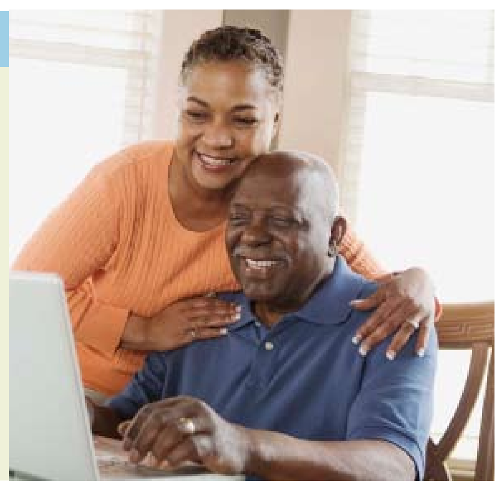
Fact: Most retirees have just one or two years' worth of savings available once they retire. It's a scary situation—one a detailed, documented retirement plan can help you avoid.

Why you need an income plan
The need to withdraw an income from your investments typically occurs when you retire. It is at this time that investors generally need to draw regular income from their investment portfolios to meet their expenses in retirement. Taking charge of your retirement means actively planning to control some of the risks that may threaten your financial well-being. A sound income plan may help you reduce certain risks that all retirees could face in some measure.

It's important to remember that your plan should be as dynamic and flexible as you are. Your life—and your retirement plans—will change over time.

A retirement income plan can help you:

- Minimize key risks
- Determine expenses, income, and any gaps
- Develop an investment, income, and withdrawal strategy
- Stay on track and live the retirement you want



TIP
Building a retirement income plan can be easier than you think with help from Fidelity. If you are two to three years out from retirement, call Fidelity at **800.544.9797** for a free consultation with a retirement representative, or to find the Fidelity Investor Center closest to you. We can help you turn the corner from saving for retirement to generating income in retirement.

3 Next Steps

By working with Fidelity, you'll have access to the people, guidance, and investments you need—from a company that's been helping people reach their retirement goals for more than 60 years.

Whether you are ready for a retirement income plan today or not, using this Fidelity Retirement Checklist is a great place to start. Maintaining a checklist can reduce the stress of "what to do next" and help keep you in control, and confident with the financial decisions you are making for your future. Fill in the "completed dates" to help keep you on track regarding different tasks you may need to address before retirement.

1. Determine if you're on track to your retirement goals.

☐ To see if you're still on track to retire when you planned, use Fidelity's myPlan® Retirement Quick Check* tool for a quick and easy view into how much savings you may potentially have when you retire, based on your age, current assets, target retirement, and continued savings.
Date completed: ________________________ ***On Track: [ ] Yes [ ] No***

☐ If you're ready to get started on your income plan, a Fidelity representative can lead you through the Retirement Income Planner right over the phone. Just call 800.544.9797.

2. Consider ways to boost your savings.

☐ Increase your contributions to your workplace savings plan on a regular basis.
Date completed: ________________________ ***Contribution amount:*** ________________

☐ If you work for an employer that matches your workplace savings plan contributions, make sure you're contributing enough to get the full match.
Date completed: ________________________ ***Employer match:*** ____________________

☐ If you are 50 or older, consider taking advantage of an additional workplace savings plan and IRA catch-up contributions.
Date completed: ________________________ ***Catch-up contribution amount:*** ________

☐ If you've maximized contributions to your workplace savings plan, consider an IRA to supplement your savings.
Date completed: ________________________ ***Contribution amount:*** ________________

*The tool's illustrations result from running a minimum of 250 hypothetical market simulations. The market return data used to generate the illustrations is intended to provide you with a general idea of how asset mixes have performed historically. Our analysis assumes a level of diversity within each asset class consistent with a market index benchmark, which may differ from the diversity of your own portfolio. Please note that the projections do not reflect the impact of any transaction costs or management and servicing fees (except variable annuities); if these had been included, the projected account balances would have been lower.

IMPORTANT: The projections or other information generated by myPlan Retirement Quick Check tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary with each use and over time.

3. Understand key Social Security factors.

The date you start collecting Social Security benefits determines how much you'll receive. It's a very important, and very personal, decision:

☐ For a list of the four key factors to consider in deciding when benefits will begin, go to Fidelity.com, and select the "Guidance and Retirement" tab then scroll to the bottom of the page and choose "Getting Ready to Retire" and select the "consider healthcare and Social Security" tab.
Date completed: ___________________________

☐ Learn more about when you should start collecting Social Security benefits at **www.ssa.gov** or call 800.772.1213 to request an Earnings Benefit Estimate statement.
Date completed: ___________________________

4. Evaluate your portfolio and create a plan.

☐ Ensure that your investment mix is appropriate for you. Using Fidelity's Portfolio Review tool can help you determine if your current investment mix is in line with your goals. Log on to NetBenefits.com and select the first bullet under Tools & Learning. Then select "Investing for the Future" and access the Portfolio Review tool.
Date completed: ___________________________

☐ Tracking your expenses will give you a clear understanding of your likely retirement expenses, both essential and discretionary. Go to the Tools & Learning section of NetBenefits.com, click on "Monitoring Your Total Finances," then scroll down to "Build your budget" to access the budget snapshot.
Date completed: ___________________________

☐ Check in to the greater simplicity, lower fees, and other potential benefits of consolidating your workplace savings plan accounts and IRAs in one place. Talk to a Fidelity retirement representative at 800.887.4015.
Date completed: ___________________________

☐ To set your savings priorities, go to NetBenefits.com, select the first bullet under Tools & Learning, select "Monitoring Your Total Finances" and scroll down to select "Create a savings plan" to access Fidelity's Savings Planner tool.
Date completed: ___________________________

5. Research health care options.

- ☐ Make sure to periodically review your life, health, home, and auto insurance policies so that you have the coverage to protect your family and your retirement savings in case of a home catastrophe, acute or chronic illness, or death. Keep in mind that prescription medications or other medical expenses may no longer be covered by your employer or insurance, so investigate how your health coverage and needs may be impacted after you retire.

  Dates completed: ____________________________

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- ☐ Long term care insurance is designed to offer financial support to pay for necessary long term care services later in life or if you are disabled. Talk to a Fidelity insurance representative about what kind of long term health care insurance may work best for you. Call 800.482.0156.

  Date completed: ____________________________

- ☐ Visit **www.medicare.gov** for details on Medicare and to determine how and when to apply.

  Date completed: ____________________________

6. Protect your retirement plans.

- ☐ Start your retirement debt free. Keep in mind that credit card interest rates are higher than the returns on investments, so pay off credit card debt as you're able. If your retirement income will drop substantially and it doesn't appear as if you'll benefit from the tax deduction opportunity, reduce your mortgage debt. Finally, eliminate car payments when possible.

  Dates completed: ____________________________

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- ☐ Keep enough cash on hand to cover at least six months of expenses without having to tap into investments that are subject to market fluctuation, or into retirement savings.

  Date completed: ____________________________ ***Emergency fund amount:***__________________

- ☐ Make sure your retirement plan beneficiaries are up to date by calling Fidelity at 800.343.0860. Unlike other types of assets, retirement savings normally pass directly to the beneficiaries you have designated for each account.

  Date completed: ____________________________

- ☐ Have your lawyer review your will, trust, powers of attorney, beneficiary designations, and investment plans to make sure that you and your beneficiaries are appropriately protected.

  Date completed: ____________________________

Methodology and Important Information

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

Portfolio Review and myPlan® Retirement Quick Check are educational tools.

Guidance provided by Fidelity is educational in nature, is not individualized, and is not intended to serve as the primary or sole basis for your investment or tax-planning decisions.

Hypothetical charts illustrating withdrawal rate, inflation, and asset allocation risks on pages 6 and 8 are not intended to project or predict the present or future value of the actual holdings in a participant's portfolio or the performance of a given model portfolio of securities.

For the hypothetical charts illustrating withdrawal rate and asset allocation risks on pages 6 and 8, several hundred financial market return scenarios were run to determine how the asset mixes may have performed. The Average Market and Extended Down Market results are based on 50% and 90% confidence levels, respectively. The results for the Average Market highlight the number of years the hypothetical portfolio would have lasted in 50% of the scenarios. The results for the Extended Down Market are based on a 90% confidence level highlighting the number of years the portfolio would have lasted in at least 90% of the scenarios generated. For the withdrawal rate chart, a 90% confidence level was utilized, indicating that the percentage of assets withdrawn annually could have been supported for the number of years noted in 90% of the historical scenarios that were generated.

For the hypothetical charts illustrating withdrawal rate and asset allocation risks on pages 6 and 8, the estimated returns for the stock and bond asset classes are based on a "risk premium" approach. The risk premium for these asset classes is defined as their historical returns relative to a 10-year Treasury bond. Risk premium estimates for stocks and bonds are each added to the 10-year Treasury yield. Short-term investment asset class returns are based on a historical risk premium added to an inflation rate, which is calculated by subtracting the TIPS (Treasury Inflation-Protected Securities) yield from the 10-year Treasury yield. This method results in what we believe to be an appropriate estimate of the market inflation rate for the next 10 years. Each year (or as necessary), these assumptions are updated to reflect any movement in the actual inflation rate. Volatility of the stocks (domestic and foreign), bonds, and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks, bonds, and short-term investments are represented by the S&P 500® Index, U.S. intermediate-term government bonds, and 30-day U.S. Treasury bills, respectively. Annual returns assume the reinvestment of interest income and dividends, no transaction costs, no management or servicing fees, and the rebalancing of the portfolio every year.

For the hypothetical charts illustrating withdrawal rate and asset allocation risks on pages 6 and 8, which highlight varying levels of stocks, bonds, and short-term investments, the purpose of these hypothetical illustrations is to show how portfolios may be created with different risk and return characteristics to help meet a participant's goals. You should choose your own investments based on your particular objectives and situation. Remember, you may change how your account is invested. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You should also consider all of your investments when making your investment choices.

It is not possible to invest directly in an index.

The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

Fidelity Retirement Income Planner is an educational tool developed and offered for use by Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company.

The tax, retirement, and estate planning information contained herein is general in nature, is provided for informational purposes only, and should not be construed as legal or tax advice. Fidelity does not provide legal or tax advice. Fidelity cannot guarantee that such information is accurate, complete, or timely. Laws of a particular state or laws that may be applicable to a particular situation may have an impact on the applicability, accuracy, or completeness of such information. Federal and state laws and regulations are complex and are subject to change. Changes in such laws and regulations may have a material impact on pre- and/or after-tax investment results. Fidelity makes no warranties with regard to such information or results obtained by its use. Fidelity disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Always consult an attorney or tax professional regarding your specific legal or tax situation.

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