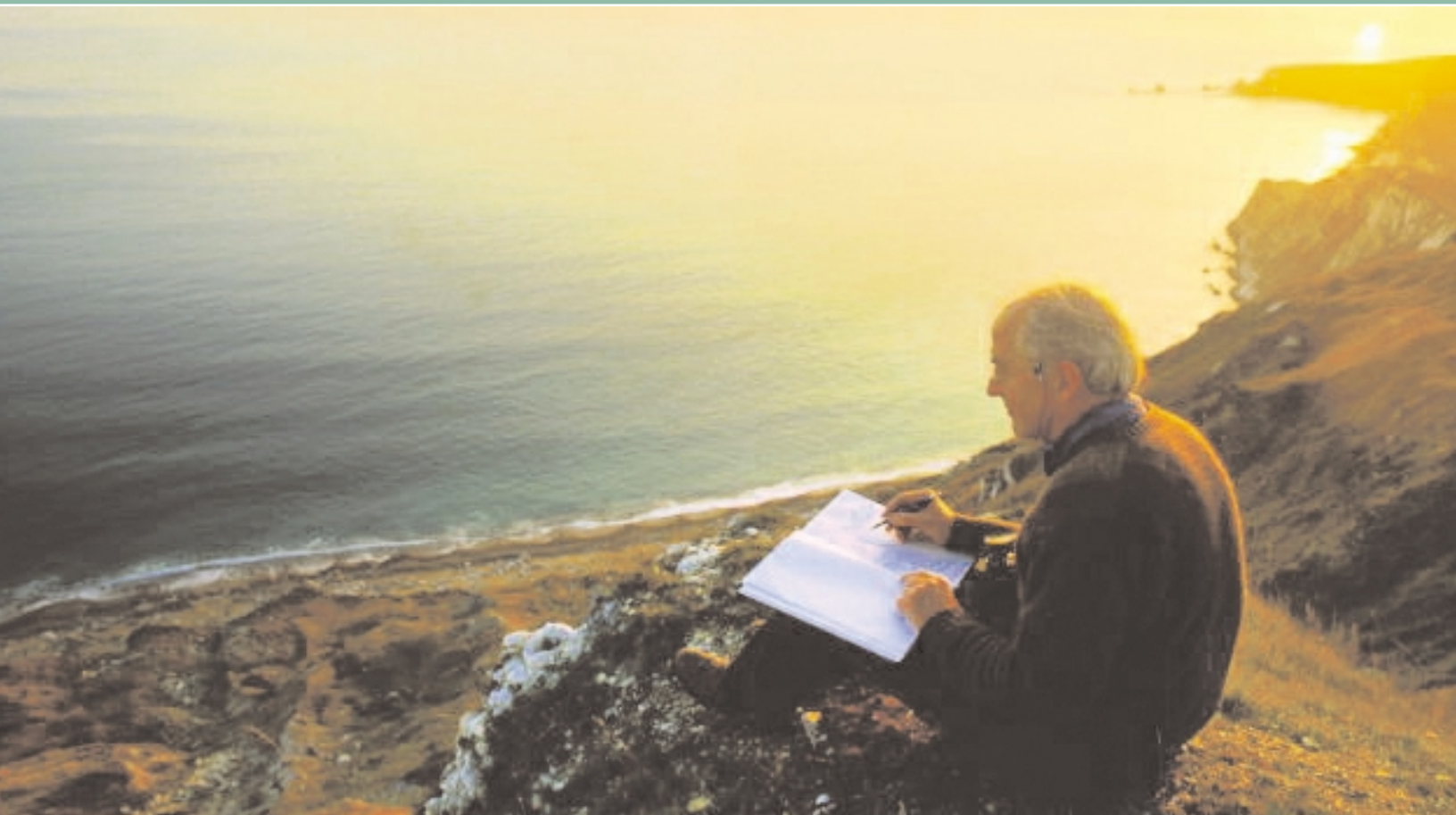


STEPS FOR RETIREMENT INCOME PLANNING



Five steps to help make your retirement vision a reality.



Name

Fidelity Financial Representative

SOME INITIAL QUESTIONS TO CONSIDER:

- How do you envision spending your retirement years?
- How are you balancing your desire for safety and security with your need for long-term growth throughout retirement?
- What are your major concerns or questions in retirement?
- How involved do you want to be in managing your financial assets once you retire?

However you envision spending your retirement years, turning those visions into realities will take careful income planning. Fortunately, Fidelity offers all the tools and personalized assistance you need to tailor an income plan that addresses the challenges ahead—and reflects your specific goals.

PREPARING FOR THE CHALLENGES. PROVIDING RETIREMENT INCOME SOLUTIONS.

In structuring your retirement income, you'll want to make sure your plans address the challenges facing today's retiree—as outlined below.

WHAT CHALLENGES YOU FACE

- **Longevity:** Thanks to today's healthier lifestyles and longer life expectancies, you may live well into your 90s¹. Of course, that means you'll need your retirement savings to sustain you for 20 to 30 years or more after your paychecks stop. *So how can you make sure you won't outlive your income?*
- **Inflation:** Even if inflation continues to average only 3% each year (the average since 1925)², you'll need twice as much money in 25 years just to equal the same buying power you enjoy today. *How can you keep pace with inflation?*
- **Market Risk:** When you combine the likelihood of living longer with the impact of inflation over time, investing too conservatively may not allow your assets to grow sufficiently to support your income plan in your later years. Conversely, if you invest too aggressively, you may be subject to more market volatility than you are comfortable with. *So how can you enable your assets to potentially grow—without subjecting your portfolio to excess volatility?*
- **Withdrawal Rates:** The percentage of your assets you withdraw each year can have an enormous effect on whether your money lasts for the rest of your life—or not. *How can you avoid depleting your assets too quickly?*

All of these questions can be—and should be—addressed by a solid retirement income plan tailored to reflect your specific goals.

HOW FIDELITY CAN HELP

Our Income Planning Specialists are dedicated to bringing together the best of Fidelity's resources to help investors turn their accumulated assets into retirement income solutions. As part of our income planning consultations, you'll be able to:

- work closely with a team of Fidelity experts who focus on different aspects of income planning; and
- take advantage of the many tools and resources we offer to help you create and regularly evaluate your plan over time.

This 5-step worksheet is the first part of our income planning process. Simply:

- Gather the information requested in steps 1 through 3 of this worksheet.
- Call to schedule an appointment with one of our Income Planning Specialists.
- Let an Income Planning Specialist work with you to complete steps 4 and 5. He or she will then draw upon all the information in this booklet to tailor a personal retirement income plan for you.

If you have any questions while completing this first phase of the process, just call a Fidelity Income Planning Specialist at **800-544-4918**.

We look forward to helping you develop a sound income plan—and complementary investment strategy—for your retirement years. **Let's begin!**

¹ Annuity 2000 Mortality Table. Figures assume you are in good health.
² Bureau of Labor Statistics, Consumer Price Index.

STEP 1

DETERMINE YOUR ANTICIPATED RETIREMENT EXPENSES

To create a successful plan for retirement *income*, you first need to develop a realistic picture of your retirement *expenses*. Think about what those might be, using the list below as a guide. Now determine whether each expense is *essential* or *discretionary*—and write it in the appropriate column next to each item. Essential expenses are the must-haves—things

you *cannot* eliminate, like food and healthcare. They may also be something you *don't want to do without*—such as visiting grandchildren or playing golf. On the other hand, discretionary expenses are the nice-to-haves—like frequent dining out or travel. Of course, what's discretionary for one retiree may be essential for another. So consider your own lifestyle and goals.

WRITE YOUR ESTIMATED MONTHLY RETIREMENT EXPENSE IN COLUMN A OR B.

	A) ESSENTIAL?	OR	B) DISCRETIONARY?
Housing			
Mortgage/Rent	\$ _____	OR	\$ _____
Taxes & Insurance	\$ _____	OR	\$ _____
Utilities	\$ _____	OR	\$ _____
Household Improvement & Maintenance	\$ _____	OR	\$ _____
Food			
At Home	\$ _____	OR	\$ _____
Dining Out	\$ _____	OR	\$ _____
Transportation			
Vehicle Purchases/Payments	\$ _____	OR	\$ _____
Auto Insurance	\$ _____	OR	\$ _____
Fuel & Maintenance	\$ _____	OR	\$ _____
Public Transportation	\$ _____	OR	\$ _____
Healthcare			
Medical Services	\$ _____	OR	\$ _____
Drugs & Medical Supplies	\$ _____	OR	\$ _____
Health Insurance	\$ _____	OR	\$ _____
Personal Insurance			
Life/Other	\$ _____	OR	\$ _____
Long Term Care	\$ _____	OR	\$ _____
Personal Care			
Clothing	\$ _____	OR	\$ _____
Products & Services	\$ _____	OR	\$ _____
Entertainment	\$ _____	OR	\$ _____
Travel	\$ _____	OR	\$ _____
Hobbies	\$ _____	OR	\$ _____
Family Care/Education	\$ _____	OR	\$ _____
Income Taxes	\$ _____	OR	\$ _____
Charitable Contributions	\$ _____	OR	\$ _____
Other _____	\$ _____	OR	\$ _____

MORTGAGE TIP:

Have an adjustable rate mortgage? As part of your plan, you may want to consider switching to a fixed rate mortgage to protect yourself from inflation or market risk.

ESTIMATING TIP:

Most financial planning experts estimate you may need at least 70%-80% of your final pre-retirement income — each year you're retired. However, you should carefully consider your own personal situation.

1A

+ 1B

= 1C

TOTAL ESSENTIAL EXPENSES TOTAL DISCRETIONARY EXPENSES TOTAL MONTHLY EXPENSES

STEP 2

IDENTIFY AVAILABLE ASSETS TO FUND YOUR RETIREMENT

Once you've estimated your retirement expenses, it's important to consider how your expenses will be funded throughout retirement. Take a moment now to write down all the resources you would consider tapping to generate the income you'll need for the retirement you're envisioning.

RETIREMENT SAVINGS/ INVESTMENTS	Where Assets Are Held (name of institution)	\$ In Short-Term Securities (i.e. cash/ money markets)	\$ In Bonds (i.e. both bonds and bond funds)	\$ In Stocks (i.e. both stocks and stock funds)	Total Assets
Employer-Sponsored Retirement Savings (including 401(k)s, 403bs)					
Traditional IRAs Rollover IRAs Roth IRAs					
Taxable Mutual Funds Individual Securities					
Annuities (fixed and variable)					
Savings & Checking Accounts			X X X X X	X X X X X	
CDs			X X X X X	X X X X X	
Other					
TANGIBLE ASSETS (that you plan to sell to fund retirement)					
Real Estate					
Other					
TOTAL RETIREMENT SAVINGS/INVESTMENTS AND TANGIBLE ASSETS:					2A

TEMPORARY MONTHLY INCOME	Description of Additional Sources of Income (including timeframes)	Monthly Income
Part-Time Work		
Rental Income		+
Other		+
TOTAL TEMPORARY MONTHLY INCOME:		2B

STEP 3

IDENTIFY SOURCES OF LIFETIME INCOME

Now that you've identified your assets to fund retirement income, you're ready to review what sources you can count on for lifetime income— income that's guaranteed³ to last as long as you live. In the spaces below, write in how much you anticipate receiving from predictable sources of lifetime income available to you—which may include Social Security, company pensions, annuities and other products.

MONTHLY INCOME:	YOU	YOUR SPOUSE
	Age _____	Age _____
Social Security	\$ _____	\$ _____
Company Pension	+ _____	+ _____
Lifetime Annuity Income	+ _____	+ _____
Other	+ _____	+ _____
	3A	
	YOUR MONTHLY LIFETIME INCOME	YOUR SPOUSE'S MONTHLY LIFETIME INCOME
ESTIMATED MONTHLY LIFETIME INCOME FOR BOTH YOU AND YOUR SPOUSE:	3B	
	TOTAL OF TWO COLUMNS ABOVE	

SOCIAL SECURITY TIP:

To help you determine your Social Security income, the Social Security Administration mails everyone an Earnings Benefit Estimate statement each year.

If you didn't receive your estimate or would like to request an additional copy, contact the Social Security Administration at 1-800-772-1213 or www.ssa.gov/retirement.

³Guarantees are subject to the claims-paying ability of the issuing company or agency.

TIME TO CONTACT A FIDELITY INCOME PLANNING SPECIALIST!

After you have gathered the information for steps 1 through 3, simply contact a Fidelity specialist who can help you turn this information into a detailed retirement income plan.

To speak with a Fidelity Income Planning Specialist over the phone:

800-544-4918

We look forward to helping you create a comprehensive financial plan for your retirement years!

Your Fidelity Income Specialist can now help you evaluate whether there are any gaps between the income resources you have to draw upon...and the retirement expenses you need to address.

To begin, let's match your essential expenses with your lifetime sources of income, since these are the expenses you'll absolutely need to make sure are covered throughout retirement—no matter how long you live.

By calculating the difference between these types of expenses and income sources, you'll be able to identify any gap you may need to bridge.

ESSENTIAL MONTHLY EXPENSES:

(Enter total from Step 1A): \$ _____

ESTIMATED MONTHLY LIFETIME INCOME:

(Enter total from Step 3B): - \$ _____

ADDITIONAL MONTHLY LIFETIME INCOME NEEDED TO FUND THE GAP:

(Subtract 1A from Step 3B):

4

IF A GAP EXISTS, SOLUTIONS TO FUND THE GAP:

Note: Remember, Social Security is adjusted annually for inflation, but many employer pension plans are not. So if you need to add additional sources of lifetime income, you may want to consider ones that offer the potential for increasing income, thus providing you with a hedge against inflation.

At Fidelity, we believe that retirees should consider covering at least their essential expenses with sources of predictable lifetime income such as Social Security, company pensions, annuities, and other products.

If a gap exists between your essential and existing sources of lifetime income, consider an income annuity to generate the additional lifetime income you need. Of course, how much lifetime income you want to secure is a personal decision. In general, you won't want to use more than 35% of your savings and assets to purchase an income annuity.

WHY COVER ESSENTIAL EXPENSES WITH LIFETIME INCOME?

Think how liberating it would be to know you have enough *lifetime* income to cover your essential expenses for the rest of your life. Not only could this eliminate the risk of outliving your assets, it could free you up to reconsider how to invest—and spend—your remaining assets.

For example, knowing you don't need to rely on your remaining assets for ongoing income, you may be more comfortable structuring a portfolio that includes investing in stocks, since you have time to weather the stock market's ups and downs.

You may also find that you can increase or decrease your discretionary expenditures based on how your investments perform—without compromising your basic needs.

Something else to consider: if your essential expenses are covered for life, you may be able to address other rewarding financial goals, such as:

- donating to your favorite charity;
- gifting to heirs while you're alive to see them enjoy it; and
- assisting with your grandchildren's education.

In short, ensuring that your essential expenses are covered for life is the foundation of a successful retirement income plan.

STEP 5

STRUCTURE YOUR PORTFOLIO TO FUND DISCRETIONARY EXPENSES

Once you know your essential expenses will be covered by predictable sources of lifetime income, you can focus on how best to use the rest of your available assets to fund your discretionary expenses.

PART A: ESTIMATE WHAT PERCENTAGE OF YOUR ASSETS TO WITHDRAW EACH YEAR:

To begin this step in the process, you'll need to compare your discretionary expenses with your discretionary assets. At the right, write down:

- your annual discretionary expenses (identified in step 1).
- the total assets available to fund these discretionary expenses (identified in step 2).

By dividing your discretionary expenses by your total available assets, you'll have a better idea of what percentage of your total assets you'd need to withdraw each year to fund these expenses. Keep in mind, though, that if this percentage is too large, you run the risk of depleting your assets too fast. So before you make any plans consider the maximum withdrawal rates chart below.

If your withdrawal rate—the percentage of your assets you intend to withdraw annually—is greater than the suggested rate based on your age you may need to scale back your discretionary expenses or consider additional assets to fund retirement. If you have used some of your assets to fund additional lifetime income (from Step 4), be sure to subtract this before calculating.

RECALCULATE YOUR DISCRETIONARY EXPENSES

Enter your estimated annual discretionary expenses.

Multiply answer from 1B by 12. $\$$ _____
Discretionary Expenses

Subtract out any temporary sources of income you could use for discretionary expenses.*

Multiply answer from 2B by 12. $-$ $\$$ _____
Temporary Income

Remaining unmet discretionary expenses:

5A _____
Unmet Expenses

*Keep in mind that these income sources may not last. So it's important to review your plan annually to make sure it's still on track.

RECALCULATE YOUR DISCRETIONARY ASSETS

Enter your total assets available to fund discretionary expenses.

Enter answer from 2A on page 3. $\$$ _____
Discretionary Assets

Subtract any assets you've decided to use to fund additional lifetime income. (Refer to Step 4.) $-$ $\$$ _____
Lifetime Income Purchase

Total remaining to fund discretionary expenses:

5B _____
Available Assets

DECIDE WHAT % OF YOUR ASSETS TO WITHDRAW

What age you plan to start withdrawals:	Maximum rate of withdrawal ⁴
In your 50s	3-5%
In your 60s	4-6%
In your 70s	5-7%
In your 80s	6-8%
In your 90s	8-10%

Calculate what % of your assets you'd need to withdraw to fund planned discretionary expenses.

Divide 5A above by 5B. _____ %
Withdrawal Rate

Enter the **lesser of**: 1) your withdrawal rate above or 2) the rate suggested by the chart at the left.

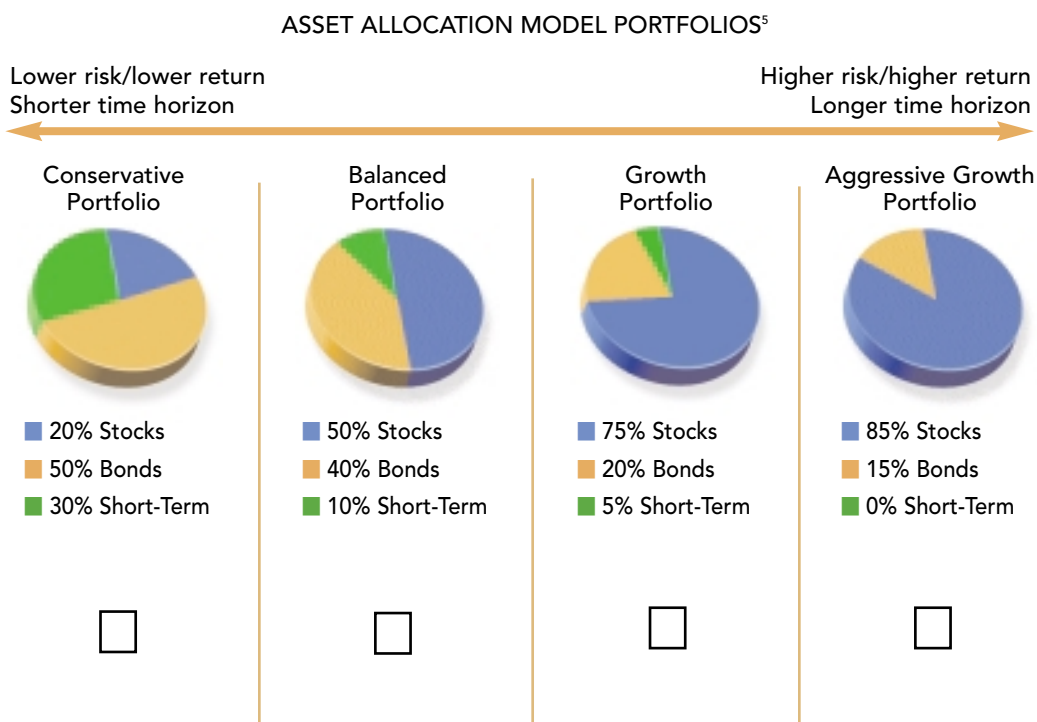
5C _____ %

⁴Assumes an average annual return of 3% higher than the average inflation rate.

PART B. MATCH YOUR INVESTMENT STRATEGY TO YOUR INCOME NEED

Now that you've determined what percentage you will need to withdraw from your assets each year to fund your discretionary expenses, you'll want to consider how to allocate your assets so that you can: 1) generate the necessary retirement income stream; and 2) keep the assets you don't need right away growing for you.

DESIRED STRATEGY:⁶ (Check the box that reflects how you'd like to diversify your portfolio in retirement to reflect your changing investment objectives, time horizon, and risk tolerance.)



PART C. DETERMINE HOW YOU WANT TO MANAGE YOUR INVESTMENTS

Once you settle on an investment strategy, there are a variety of ways you can choose to maintain that strategy over time. Based on how active a role you want to take in managing your investments, you can be involved in the day-to-day allocation decisions or leave that to the professionals. So which type of investor sounds most like you?

- An active investor who likes buying and understands individual securities or mutual funds and managing the day-to-day investment decisions on your own?
- An investor who values a professional's expertise in managing your investment portfolio.

LET FIDELITY TAKE THE WORK OUT OF RETIREMENT INVESTING

After saving a lifetime, you may want to finally enjoy retirement without having to worry about managing your investments. If so, Fidelity can help. Fidelity Funds Manager ProgramSM is a professional money management service for investors who prefer to have their portfolios professionally managed for them.

Fidelity offers a variety of specialized money management solutions. Ask your local Income Planning Specialist for details.

⁵Strategic Advisers, Inc., a registered investment advisor and a Fidelity Investments company, has developed the asset allocation and portfolio modeling methodologies used to develop these portfolios.

⁶If you are not sure what model portfolio best matches your needs, Fidelity has created allocation tools to help you make this decision. Ask your Fidelity representative for details.

RETIREMENT INCOME SOLUTIONS WORKSHEET

INCOME PLAN FOR _____

TOTAL ASSETS TO FUND RETIREMENT:

MONTHLY INCOME YOU NEED FROM THOSE ASSETS:⁷

SELECTED INCOME STRATEGY⁸

Outlined below are three core retirement income strategies to consider. Together we'll decide which strategy best addresses your investment objectives, your time horizon, and your risk tolerance. In addition, don't forget that if you have traditional or rollover IRAs or 401(k) investments, you must start taking minimum required distributions from these accounts once you have reached the age of 70½.

- INTEREST ONLY STRATEGY** If your model portfolio and target income allow, invest enough of the bonds and short-term assets in your portfolio so that they could potentially generate your target income amount through interest and dividends. Invest the balance of your assets according to your chosen asset allocation—usually a diversified mix designed for growth.

- SYSTEMATIC WITHDRAWALS STRATEGY** Invest your assets according to your model portfolio and systematically liquidate the assets on a pro-rata basis to potentially generate your target income and maintain your asset allocation over time.

- SPLIT STRATEGY** If your model portfolio and target income allow, invest enough of the bonds and short-term assets in your portfolio so that the interest and principal received may provide your target income for a specified period (often 5 years). The balance of your assets is invested according to your asset allocation, usually a diversified mix focused on growth.

Notes:

⁷Income is assumed to be after tax.

⁸These strategies should only be used as an investment guide. In considering any retirement income strategy, one should carefully consider their overall financial circumstances, personal life expectancy factors, investment strategy, inflation, tax impact, and state objectives. These strategies were created by Strategic Advisers, Inc.

