The Retirement Income Series

Part 1: Preparing Your Savings for Retirement
- Identify sources of income, including Social Security
- Assess the impact of future health care costs in retirement
- Evaluate expenses and strategies to fill the gap

Part 2: Shifting From Saving to Spending
- The importance of asset allocation in retirement
- Elements for building your investment strategy
- Considerations for portfolio withdrawal rates

Part 3: Preserving Your Savings for Future Generations
- Key estate planning tools
- The importance of beneficiary designations
- Gifting and insurance replacement strategies

So, you’re starting to think about retirement

Your questions at this time of your life.
And, our agenda today:
- How much will I need to fund with my personal savings?
- Is it too late to save?
- How could Social Security and health care costs impact my retirement plan?
- How can I try to protect what I’ve built?
- Do I need to change the way I invest?
- Can I really put a plan together?

Get your portfolio ready

Build your retirement spending plan
- Conduct an income and expense analysis
- Map cash flow to importance of the expense
- Make sure your investments match your strategy
- Consider retirement lifestyle choices

A Tool to Help: Use Retirement Income Planner to conduct an income and expense analysis.
**Why is it important to think about this while you’re still at work?**

Because you need to...

- Know what a successful retirement looks like to you – so you can plan for your income and expenses
- Address some key questions:
  - Have I saved enough?
  - How can I save more?
  - What role do Social Security and health care play?
- Determine your income priorities
Preparing Your Savings for Retirement

Why is it important to think about this while you’re still at work?

So you can…

– Be realistic about your expenses, your income, and any gaps.
– Develop a strong retirement income plan.
– Stay on track—to the kind of retirement you want to live.

👉 A Tool to Help: To see if you’re on track to meet your goals, visit Retirement Quick Check.

Maximize your retirement savings opportunities

Take steps to help boost your savings today

– Max out your workplace savings plan ($17,500 in 2013)
– Make catch-up contributions, if eligible ($5,500 in 2013)
– Fund a traditional or Roth IRA (up to $5,500 plus $1,000 catch-up in 2013)
– Take advantage of other tax-advantaged savings (like annuities)
– Start working on other key goals

👉 A Tool to Help: Use our myPlan Snapshot® to see how much money you may need to retire.

For Traditional IRA contributions for both working and non-working couples, maximum contribution limits are reduced by any amount contributed to a Roth IRA for the same year. If the non-working spouse contributes to a Roth IRA, the maximum contribution limit would be reduced by any amount contributed to a Traditional IRA.

myPlan Snapshot is an educational calculator offered for use by Fidelity Brokerage Services, LLC, Member NYSE, SIPC
Maximize your retirement savings opportunities

Workplace Education Series

The impact catch-up contributions can have over time

Sue
Age 50
Takes advantage of the contribution catch-up provision and contributes $22,500 annually for the next 17 years

Value at age 67
$877,884

Tom
Age 50
Doesn’t take advantage of the contribution catch-up provision and contributes $17,000 annually for the next 17 years

Value at age 67
$701,896

This hypothetical example is based on Sue and Tom having a starting balance of $50,000 in a tax-deferred workplace savings plan and being the same age. At 50 Sue begins making monthly pre-tax contributions of $1,875 and Tom makes monthly pre-tax contributions of $1,416.66 both at the beginning of the month to their tax-deferred workplace savings plan. Results are based on these participants starting contributions when they first turn 50 and ending when they first turn 67. Both receive a 7% annual rate of return compounded monthly. The ending values do not reflect taxes, fees, or inflation. Earnings and pre-tax contributions are subject to taxes when withdrawn. Distributions before age 59½ may also be subject to a 10% penalty. This example is for illustrative purposes only and does not represent the performance of any security. Investing in this manner does not ensure a profit or guarantee against loss in declining markets.

There’s still time for your savings to grow

The potential value of a dollar at various retirement ages

Real growth of $1 by age 65 based on average historical returns of a hypothetical portfolio of 70% stock, 25% bond, and 5% short-term debt.

A Tool to Help: Try Retirement Quick Check to see if you’re on track to save enough and Retirement Income Planner to look at your estimated expenses.
When to start depends on many factors

- Key factors that affect your payment
  - Age and longevity
  - Collecting while you are still working
  - Planning with a spouse
- 3 payment strategies
  - Wait until retirement age
  - Bridge the gap until full retirement age
  - Start as soon as eligible
- Delaying can increase your benefits

A Tool to Help: Use Retirement Income Planner to see how Social Security might impact your retirement plan. You can also access the Benefits Calculator at www.ssa.gov to find your break even age.

Considerations for when to start collecting

Consider waiting until full retirement age or later if...
- You have other sources of income to cover expenses
- You plan to continue working and want full benefits later
- You expect to live past average longevity

Consider waiting, and bridge an income gap if...
- You want higher payments later to help cover rising costs of health care expenses
- You have other sources of supplemental income to cover expenses
- You plan to continue working and want full benefits later
- You expect to live past average longevity

Consider taking payments as soon as possible if...
- You need the payments to cover expenses right away
- You have health issues or do not have a family history of longevity
- You would rather take payments early and invest them
- You want to preserve other assets or investments
**The impact of waiting**

Delivering can increase your benefits

This is a hypothetical example of someone whose full retirement age is 66, and primary insurance amount is $1,800.*

<table>
<thead>
<tr>
<th>Age</th>
<th>Benefit Amount</th>
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<tbody>
<tr>
<td>62</td>
<td>$1,350</td>
</tr>
<tr>
<td>66</td>
<td>$1,800</td>
</tr>
<tr>
<td>70</td>
<td>$2,376</td>
</tr>
</tbody>
</table>

Waiting 8 years gets you $1,026 more a month.

Waiting 4 years gets you $450 more a month.

For illustrative purposes only.

**What to Do:** For more on how Social Security works or your specific benefits, visit www.ssa.gov or call 800.772.1213 to request an Earnings Benefit Estimate statement.

Sources: Social Security Administration and Fidelity Investments, 2010.

* This hypothetical example assumes that the person is not working in retirement. Sample benefit amounts are not exact, due to rounding. They do not reflect annual cost-of-living adjustments or taxes. Had taxes been taken into account, the amounts would have been lower.

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**Get a handle on health care in retirement**

**Plan today for your future health care costs**

**Why budget for health care needs?**

- The cost
- To ensure adequate coverage
  - Long-term care
  - Early retirement
- The effect on your cash flow

**A Tool to Help:** If you need help budgeting for health care, try Fidelity’s Retirement Income Planner.

Retirement Income Planner is an educational tool.
Strategies to ensure adequate coverage

<table>
<thead>
<tr>
<th>Saving for Retirement</th>
<th>Approaching Retirement</th>
<th>Early Retirement</th>
<th>Retirement (age 65+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare Related Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan and save for retirement healthcare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan for long-term care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan coverage for early retirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Choose coverage before Medicare eligibility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elect Medicare and Medicare supplemental insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elect other retirement healthcare services</td>
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</table>

Possible Life Events
- Sickness or disability resulting in loss of wages
- Early retirement
- Long-term care
- Outliving your assets
- Death or survivorship

The risks of not having a plan

Let’s explore:
- Five key financial risks
Key financial risks

Active management helps avoid threats to your retirement security

1. Outliving your savings
2. Falling short of inflation
3. Spending too much, too soon
4. Market risk and asset allocation
5. Not saving enough to cover health care

What to Do: Schedule a complimentary one-on-one guidance consultation with a Fidelity representative.

Although consultations are one on one, 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.

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Outliving your savings

Living Longer: You may need income for decades

<table>
<thead>
<tr>
<th>Lifespan</th>
<th>65-Year-Old Man</th>
<th>65-Year-Old Woman</th>
<th>65-Year-Old Couple</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% Chance</td>
<td>85 yrs.</td>
<td>88 yrs.</td>
<td>92 yrs.</td>
</tr>
<tr>
<td>25% Chance</td>
<td>92 yrs.</td>
<td>94 yrs.</td>
<td>97 yrs.</td>
</tr>
</tbody>
</table>

What to Do: Take into account your personal health and family history, not just average life expectancy, when making your retirement calculations.

Key financial risks

Falling short of inflation

The danger of inflation: Declining purchasing power

<table>
<thead>
<tr>
<th>Starting value</th>
<th>Purchasing power after inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>2% Inflation: $30,477</td>
</tr>
<tr>
<td></td>
<td>3% Inflation: $23,880</td>
</tr>
<tr>
<td></td>
<td>4% Inflation: $18,756</td>
</tr>
</tbody>
</table>

What to Do: Make sure you consider investments with the potential to outpace inflation

Source: Fidelity Investments, 2010. All numbers were calculated based on hypothetical rates of inflation of 2%, 3%, and 4% (historical average from 1926 to 2008 was 3%) to show the effects of inflation over time; actual inflation rates may be more or less and will vary.

Steps to take today

Let’s explore:
- The importance of staying actively involved in managing your plan
- How Fidelity can help
Evaluate your portfolio to minimize retirement risks

- Determine your priorities
- Assess what’s essential to you
- Start thinking about strategies for making it a reality
- Revisit and update on a regular basis

A Tool to Help: Run the numbers with myPlan Monitor or talk to a Fidelity representative.

Protect your retirement plans

- Pay down debt
- Check your emergency fund
- Verify your beneficiaries
- Review your estate documents (will, trusts, etc.)
Help preserve your assets and control the distribution of your estate

- Wills
- Powers of attorney
- Health care proxies
- Trusts
- Beneficiary designation
- Gifting

A Tool to Help: For much more on this topic, attend our workshop, Preserving Your Savings for Future Generations.

Create a retirement income strategy

Let's explore:
- Determining your investing priorities
- Balancing competing priorities
- Three common income strategies
**Align your portfolio to reflect what is important**

- Growth
- Guarantees
- Flexibility
- Potential preservation

* A Resource to Help: Fidelity’s Guide to Retirement Income Investing can help get you started.

*Guarantees apply to certain insurance and annuity products (not securities, variable or investment advisory products) and are subject to product terms, exclusions and limitations and the insurer’s claims-paying ability and financial strength.

**Finding the right balance**

**Understand your priorities and the trade-offs**

It can help lead to an appropriate strategy

- Seeks guarantees, growth potential, and potential preservation, without much flexibility.
- Seeks more preservation, guarantees, and flexibility, but not much growth potential.
- Seeks some guarantees, potential for growth, and flexibility, while spending your principal.
- Seeks more flexibility, potential growth, and principal preservation, with few guarantees.

* A Resource to Help: Fidelity’s Guide to Retirement Income Investing can help get you started with an investment and withdrawal strategy.

*Guarantees apply to certain insurance and annuity products (not securities, variable or investment advisory products) and are subject to product terms, exclusions and limitations and the insurer’s claims-paying ability and financial strength.
Common retirement income strategies

- Interest and Dividends Only
- Investment Portfolio
- Investment Portfolio plus Guarantees*

A Tool to Help: The Fidelity Income Strategy Evaluator® can help you generate a retirement income strategy.

*Guarantees apply to certain insurance and annuity products (not securities, variable or investment advisory products) and are subject to product terms, exclusions and limitations and the insurer’s claims-paying ability and financial strength. Fidelity Income Strategy Evaluator is an educational tool. IMPORTANT: The projections or other information generated by the Fidelity Income Strategy Evaluator ("the 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.

Guarantees of potential income are shown illustrated by the Tool and in future dollars and are based on data entered, product attributes, and Tool assumptions, including market performance assumptions based on historical scenarios using historical data. Other investments not considered by the Tool may have characteristics similar to or superior to those being analyzed. Numerous factors make the calculations uncertain, such as the use of assumptions about historical returns and inflation, as well as the data you have provided. 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. Results may vary with each use and over time. Fund fees and other expenses will generally reduce your actual investment returns and, except for the applicable annual annuity charges for the variable annuity, are not reflected in the hypothetical projections generated by the Tool.

Where can you find the help you are looking for?

Fidelity Income Strategy Evaluator®

- Ability to compare multiple strategies side by side
- Presents strategies that may efficiently meet your needs and preferences
- Hypothetical income and asset projections over time

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Estimates of potential income and assets illustrated by the Tool are in future dollars and are based on data entered, product attributes, and Tool assumptions, including market performance assumptions based on hypothetical scenarios using historical data. Other investments not considered by the Tool may have characteristics similar or superior to those being analyzed. Numerous factors make the calculations uncertain, such as the use of assumptions about historical returns and inflation, as well as the data you have provided. 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. Results may vary with each use and over time. Fund fees and other expenses will generally reduce your actual investment returns and, except for the applicable annual annuity charges for the variable annuity, are not reflected in the hypothetical projections generated by the Tool.
Steps to take today

For additional information

- Visit NetBenefits®
  www.fidelity.com/atwork or www.plan.fidelity.com/universityofnebraska

- Call your plan’s toll-free number to speak with a representative familiar with the features of your University of Nebraska Retirement Plans

  1-800-343-0860

Steps to take today

Put all you’ve just learned to work for your future

We will work one on one with you to provide:

- Information about your plan’s features and benefits
- Assistance with a range of services from plan enrollment to investment education as well as account consolidation
- Guidance on next steps to help you maximize your workplace savings plan and other retirement savings opportunities
- Assistance with more complex needs including, multi-goal and retirement income planning, charitable giving strategies, and investment management

Contact our Workplace Planning and Guidance Consultants for a complimentary consultation today!

Call: 1-800-642-7131

Representatives are available from 7:30 am – 7:30 pm CT

Although consultations are one on one, 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.
Important Information

Before investing, consider the investment objectives, risks, charges and expenses of the fund or annuity and its investment options. For this and other information, contact Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Principal value and investment returns of a variable annuity will fluctuate and you may have a gain or loss when money is withdrawn. Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

Diversification and asset allocation do not ensure a profit or guarantee against a loss.

U.S. stock prices are more volatile than those of other securities.

Government bonds and corporate bonds have more moderate short-term price fluctuations than stocks but provide lower potential long-term returns. U.S. Treasury bills maintain a stable value (held to maturity), but returns are only slightly above the inflation rate. As with all your investments through Fidelity Investments, you must make your own determination whether a particular investment is consistent with your objectives, risk tolerance and financial situation.

Past performance does not guarantee future results.

It is not possible to invest directly in an index. All index returns include reinvestment of dividends and interest income. Investors may be charged fees when investing in an actual portfolio of securities, which are not reflected in illustrations utilizing returns of market indexes.

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.

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. Always consult an attorney or tax professional regarding your specific legal or tax situation.

Fidelity is not recommending or endorsing any particular investment in this workshop. 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 stocks of 500 widely held U.S. stocks that includes the reinvestment of dividends. It is not possible to invest directly in the index.

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Past performance is no guarantee of future results. Returns include the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or implied performance of any investment option.
Methodology and information for chart titled: Withdrawal rate: The danger of taking out too much
This chart is 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. The calculations and results generated are based on historical monthly performance from January 1972 through December 2009 from Ibbotson Associates, stocks, bonds, and short-term investments are represented by the S&P 500® Index, U.S. Intermediate Government Bond, and U.S. 30-day T-bill, respectively. The chart highlights varying levels of stocks, bonds, and short-term investments and the purpose of the hypothetical illustration 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. The data is based on: Ibbotson Associates, 2011 (1926–2010). Returns include the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or implied performance of any investment option. Stocks are represented by the Standard & Poor's 500 Index (S&P 500®). The S&P 500® Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Bonds are represented by the U.S. Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income. Stocks are represented by the S&P 500® Index, which is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Short-term instruments are represented by U.S. Treasury bills, which are backed by the full faith and credit of the U.S. government. It is not possible to invest directly in an index. Stock prices are more volatile than those of other securities. The S&P 500® Index is an unmanaged index that includes the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or implied performance of any investment option. Stocks are represented by the Standard & Poor's 500 Index (S&P 500®). The S&P 500® Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Bonds are represented by the U.S. Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income. Stocks are represented by the S&P 500® Index, which is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. It is not possible to invest directly in an index. The Ibbotson U.S. 30-Day T-bills data series is a total return series that is calculated using data from the Wall Street Journal from 1977 to the present and the CRSP U.S. Government bond 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 the present and from the CRSP Government Bond File from 1926 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 a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Past performance is no guarantee of future results. It's not possible to invest directly in an index. All index returns include reinvestment of dividends and interest income. Investors may be charged fees when investing in an actual portfolio or securities, which are not reflected in illustrations utilizing returns of market indexes. This information is for illustrative purposes only.>