



Fundamentals of retirement income planning

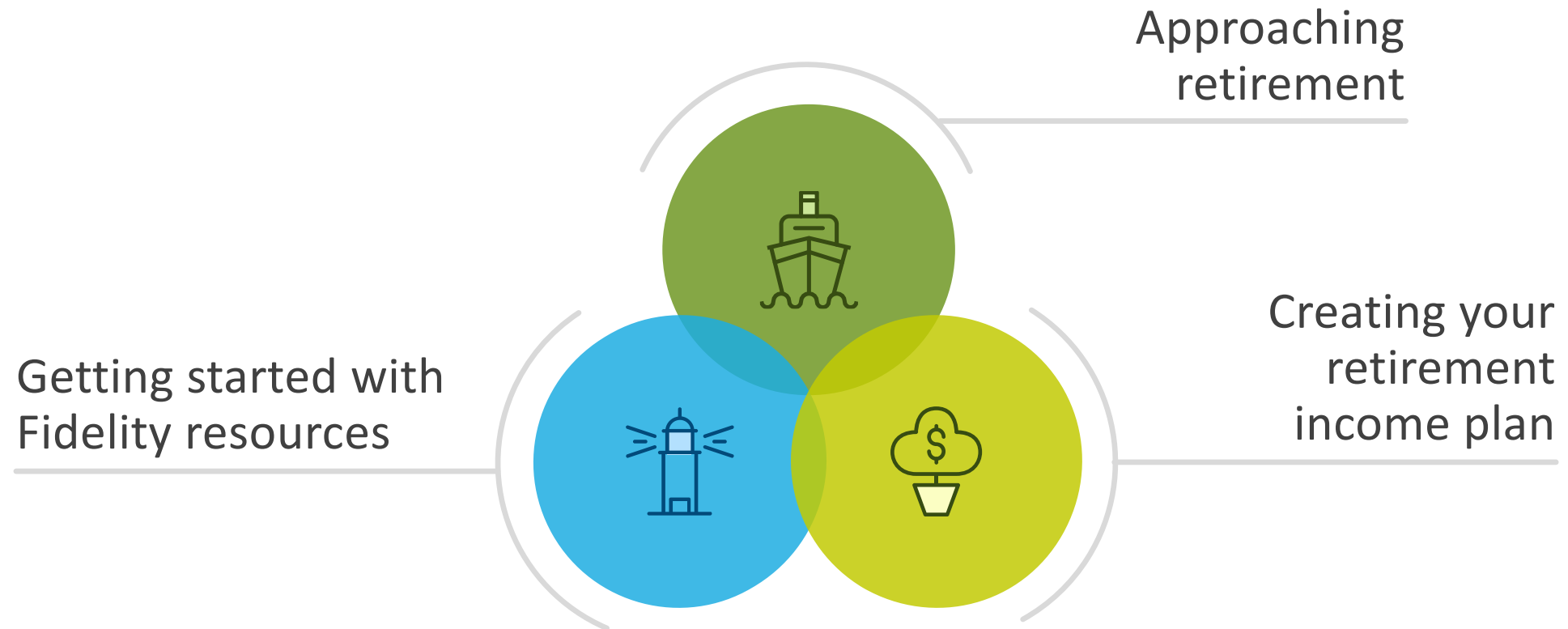


September 2025

Note to presenter:
Replace slide with your
approved bio.



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Agenda



Common questions

1

What have you done so far to prepare for retirement?

2

What is your experience with retirement income planning?

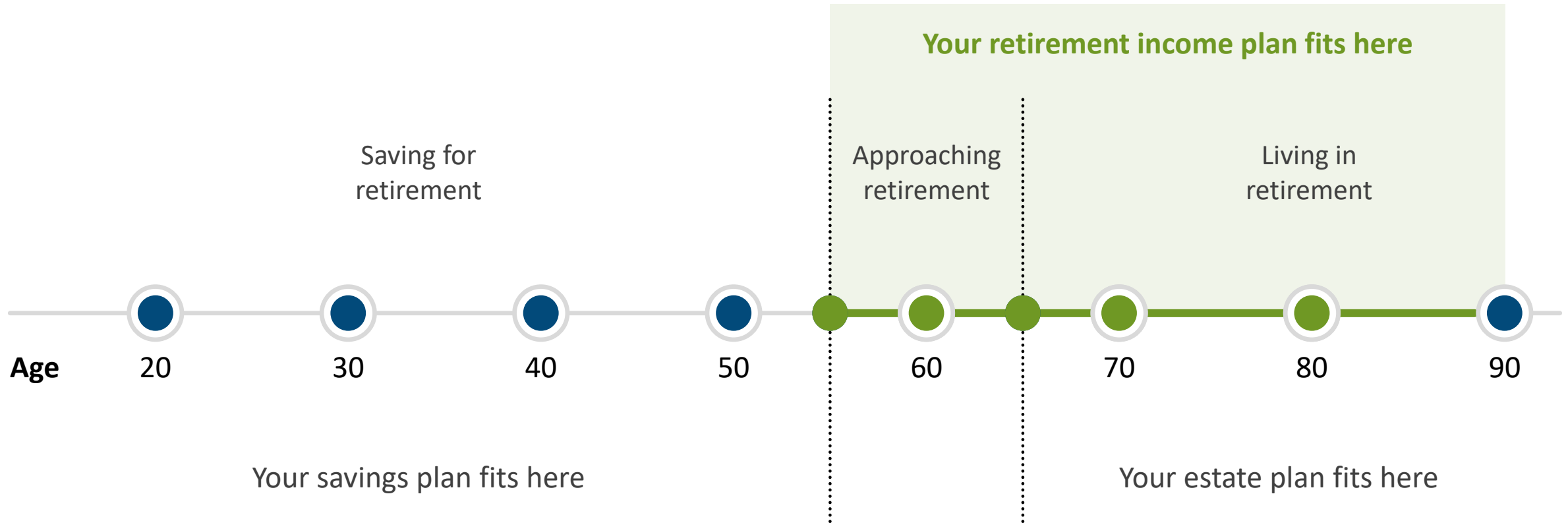
3

Have you started or completed a retirement income plan?

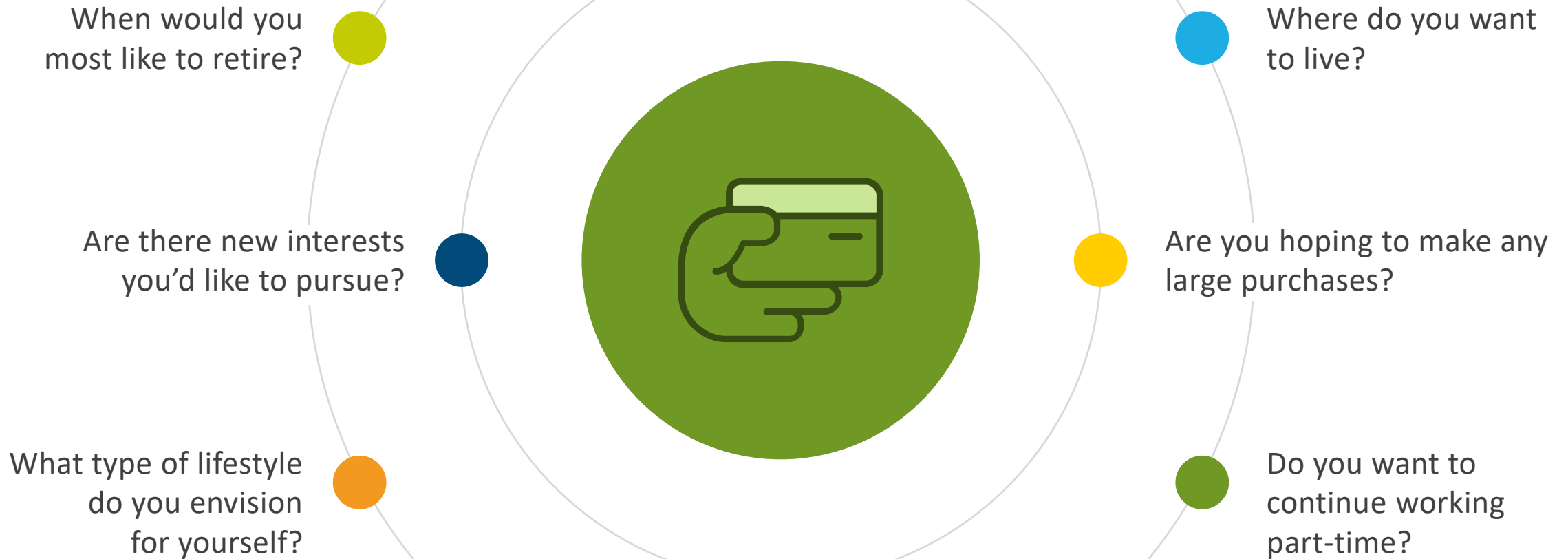


Approaching retirement

Where does a retirement income plan fit?



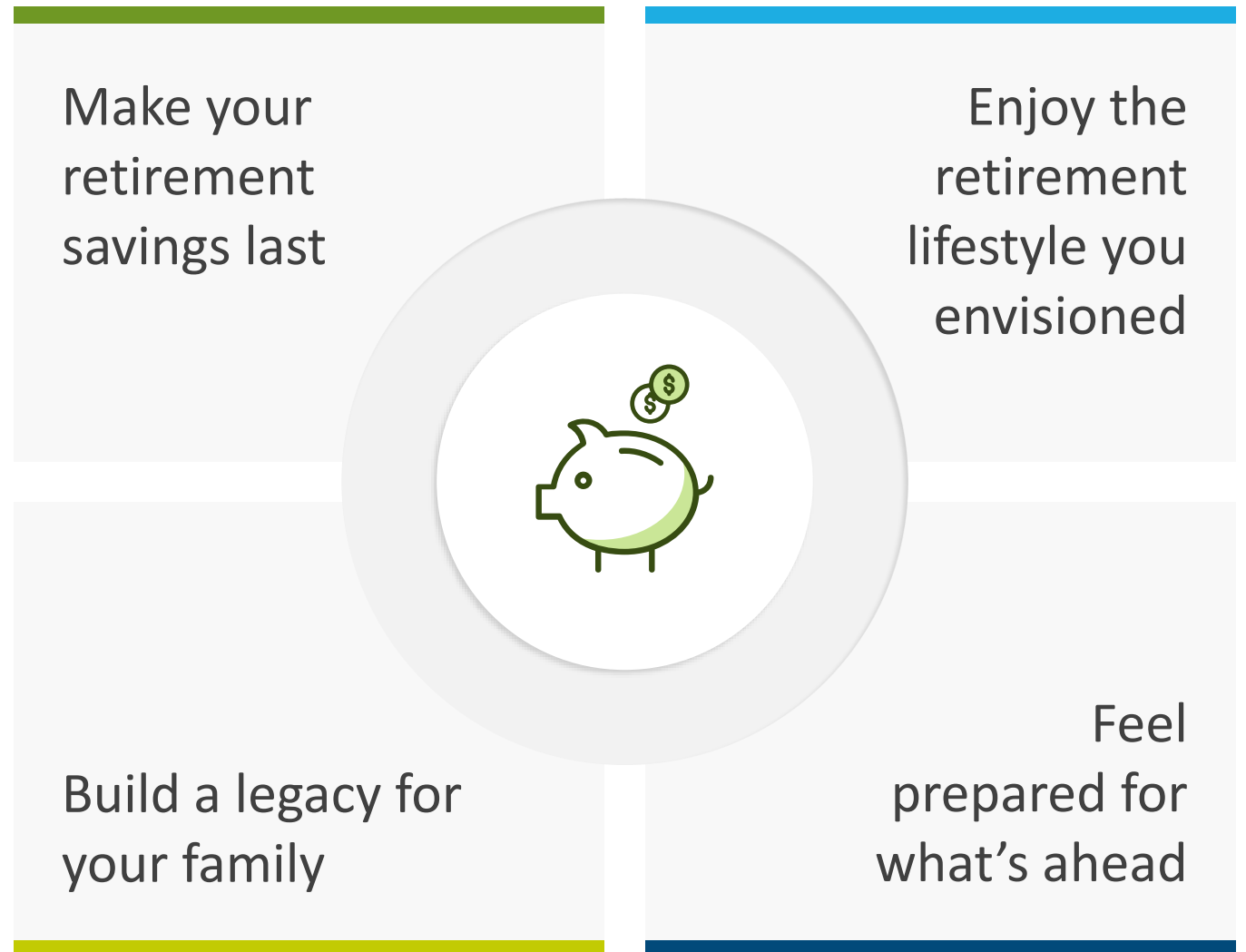
From saving for retirement to living in retirement



What is a retirement income plan?

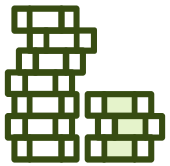
Retirement income plan

A detailed plan that can help you determine how to use your financial resources to generate cash flow to last the rest of your life.



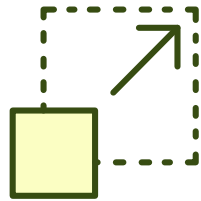
Five key risks

Keep these in mind as you prepare to create your retirement income plan



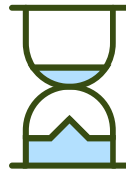
Withdrawals

Not taking out too much, too soon



Inflation

Not letting it eat away your savings' purchasing power



Longevity

Making sure your plan covers the full length of your life



Health care

Taking into consideration rising medical costs



Allocation

Ensuring your plan can weather the changing markets

Combined impact of returns and withdrawals

The sequence of market returns you experience in retirement can affect your portfolio's value over time

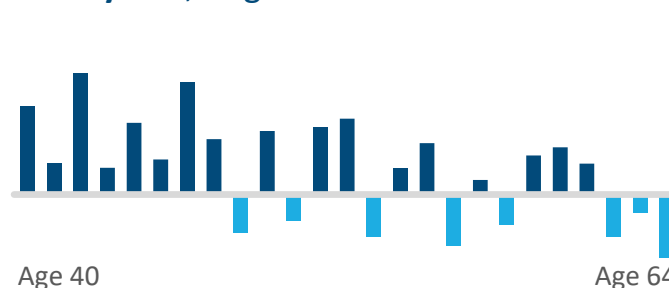
Robert

Return sequence

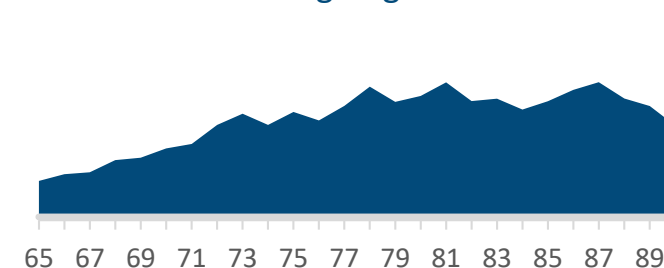
Portfolio value

SCENARIO 1

Positive portfolio returns during early years, negative returns later on

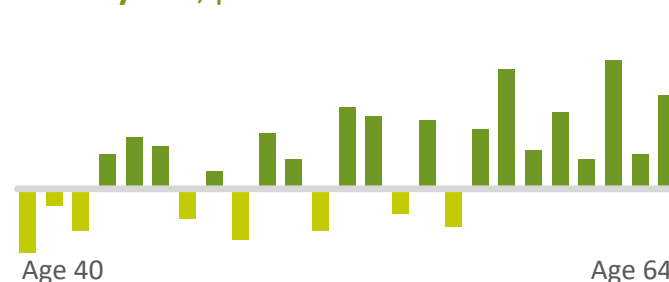


Portfolio grows throughout retirement, even with ongoing withdrawals

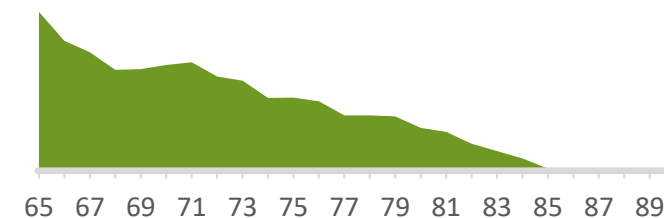


SCENARIO 2

Negative portfolio returns during early years, positive returns later on



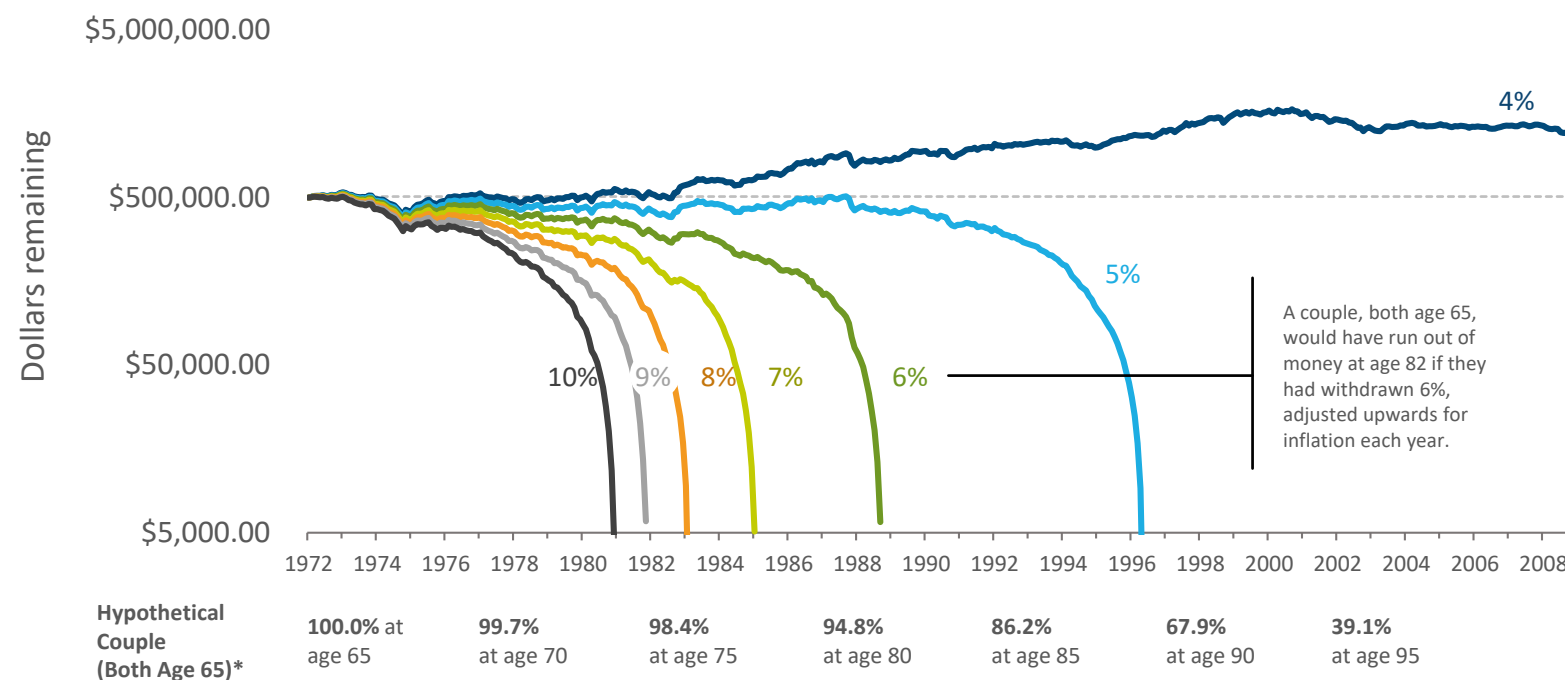
Portfolio is depleted throughout retirement, along with ongoing withdrawals



These hypothetical examples are for illustrative purposes only. It is not intended to predict or project investment results. Your rate of return may be higher or lower than that shown above.

Impact of different withdrawal rates

Choosing a rate that helps your money last longer



*Hypothetical value of assets held in an untaxed account after adjusting for monthly inflation-adjusted 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 Morningstar, 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, and U.S. 30-day T-bills, respectively. Initial withdrawal amount based on 1/12th of applicable withdrawal rate multiplied by \$500,000. Subsequent withdrawal amounts 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.

Withdrawal rate example

Factoring in annual required minimum distribution (RMD)



4% withdrawal rate

$$\begin{aligned} \$250,000 \times 4\% \\ = \$10,000 \end{aligned}$$



IRS-required minimum
distribution (RMD)

$$\begin{aligned} \$250,000 \div 26.5 \\ = \$9,434 \end{aligned}$$

\$10,000

\$9,434

Annual withdrawal
amount must
meet/exceed RMD



Susan

\$250k
in retirement savings

Withdrawal rate example

Factoring in annual required minimum distribution (RMD)



4% withdrawal rate

$$\begin{aligned} \$500,000 \times 4\% \\ = \$20,000 \end{aligned}$$



IRS-required minimum
distribution (RMD)

$$\begin{aligned} \$500,000 \div 26.5 \\ = \$18,868 \end{aligned}$$

\$20,000

\$18,868

Annual withdrawal
amount must
meet/exceed RMD



Susan

\$500k
in retirement savings

Withdrawal rate example

Factoring in annual required minimum distribution (RMD)



4% withdrawal rate

$$\begin{aligned} & \$750,000 \times 4\% \\ & = \mathbf{\$30,000} \end{aligned}$$



IRS-required minimum
distribution (RMD)

$$\begin{aligned} & \$750,000 \div 26.5 \\ & = \mathbf{\$28,302} \end{aligned}$$

\$30,000

\$28,302

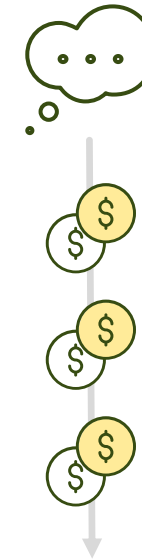
Annual withdrawal
amount must
meet/exceed RMD



Susan

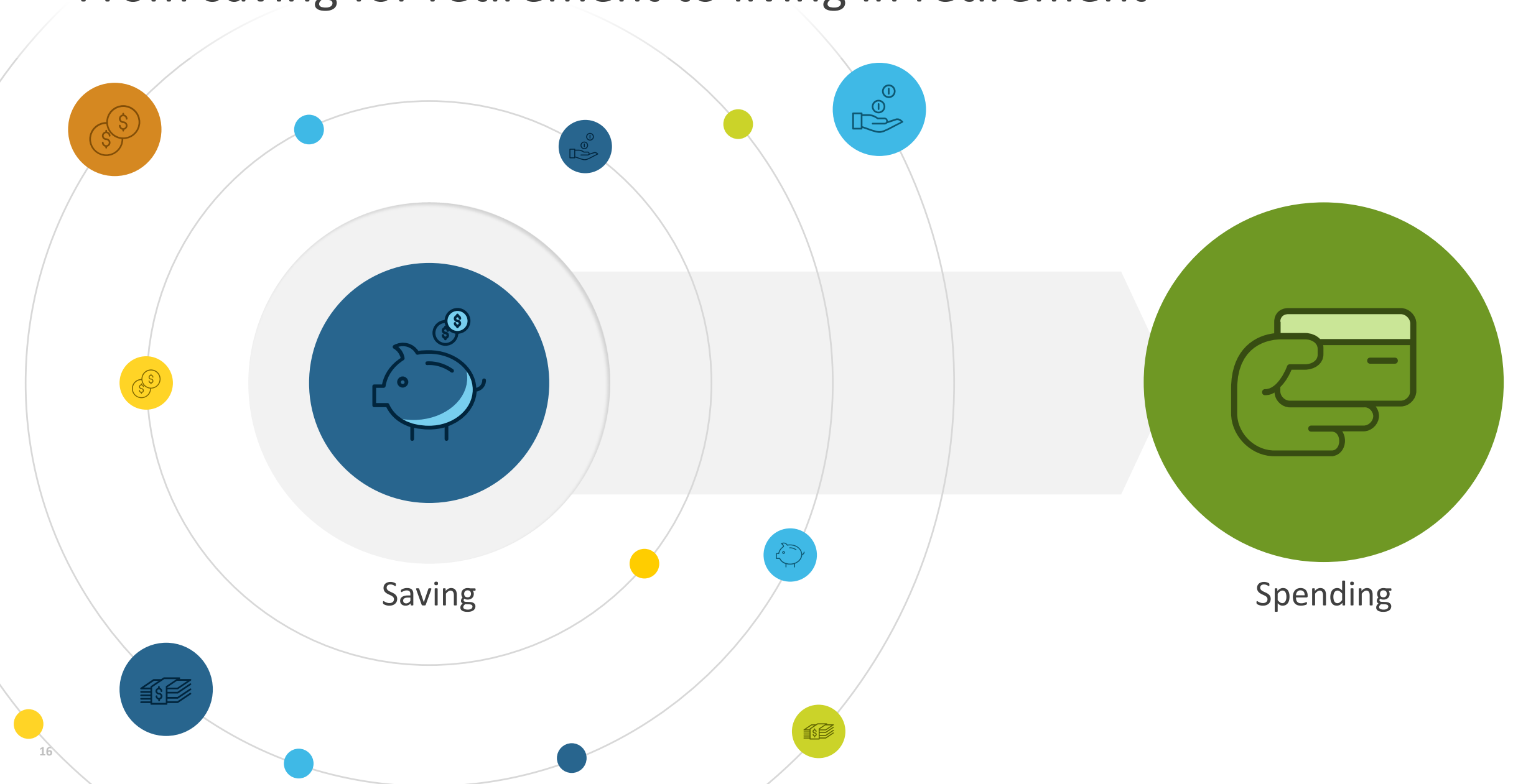
\$750k
in retirement savings

Why the 5 key risks are so important



Consider these risks while you build a steady and predictable income stream to replace your paycheck

From saving for retirement to living in retirement





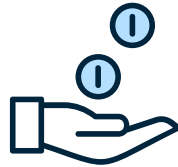
Creating your retirement income plan

Identify your income sources and expenses



Income sources

- Predictable Income Sources (Social Security, Pension, and Annuities)
- Part-time Work
- Rental Property



Withdrawal sources

- Retirement Accounts (Traditional/Roth 401(k), 403(b), IRA, etc.)
- Savings Accounts
- Brokerage Accounts
- Equity Compensation
- CDs

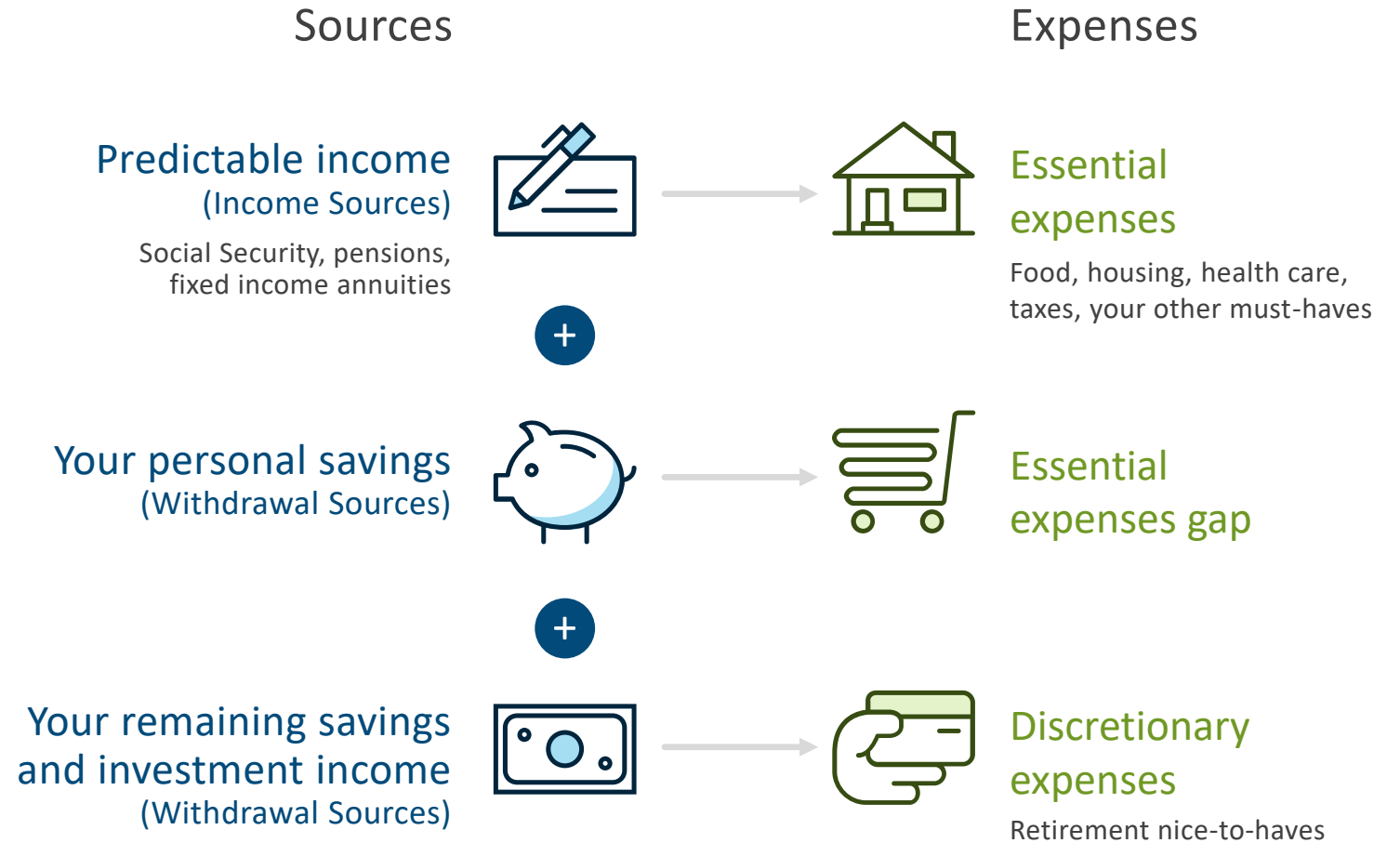


Expenses

- Essential Expenses
- Discretionary Expenses

Your retirement income plan

Putting it all together



The building blocks of your plan

Predictable income

to cover your essential expenses

Growth potential

to meet your long-term goals

Flexibility

to adjust as your needs change





Predictable income

Three types of predictable income:

Social Security

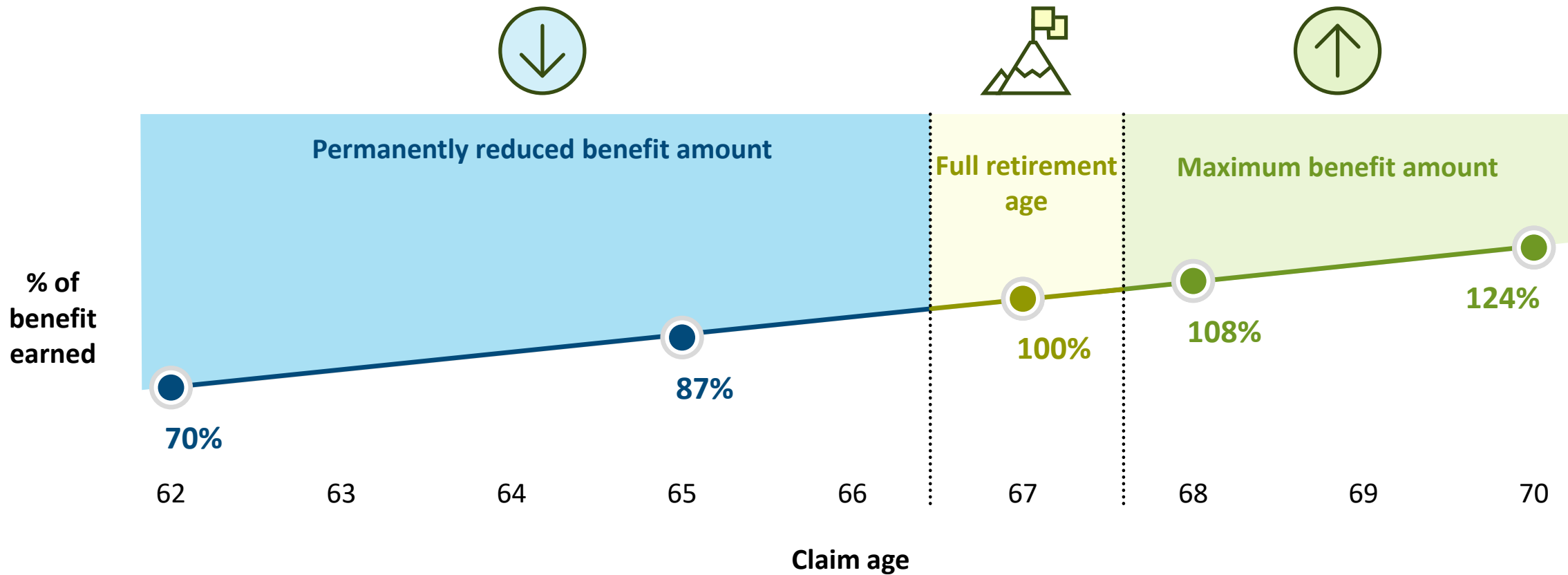
Pensions

Income annuities

Social Security

Optional slide

Improve your pay-out by waiting to claim benefits



Optimizing your claiming strategy

Using our Social Security Benefit Calculator

Optional slide

The smartphone screen displays the 'Claiming Strategy' section of the Social Security Benefit Calculator. It includes dropdown menus for 'You' and 'Your spouse', both currently set to 'Select'. Below these, it shows an 'Estimated maximum lifetime benefit' of \$1,526,274 with a green checkmark. A vertical timeline on the left side of the screen marks three key ages: 74 years (when the user starts claiming an individual benefit of \$3895/mo), 66 years (when the spouse starts claiming an individual benefit of \$2873/mo), and 78 years, 9 months (when the spouse starts claiming a survivor's benefit of \$3895/mo).

Determine a Social Security claiming strategy that works best for your retirement plan



Compare estimated monthly & lifetime benefits across different claiming ages



Review individual, spousal and survivor benefits in various scenarios



See how waiting to claim may help you to maximize your monthly benefit

[NetBenefits.com/socialsecurity](https://netbenefits.com/socialsecurity)

Screenshots are for illustrative purposes only.

Pensions

What to keep in mind



The options you choose for your payouts make a difference



When you start to receive pension payouts influences your payout amount



Once you start payments, you're locked in

Guaranteed income annuities

Consider these annuities to help pay for essential expenses

Immediate income annuity¹

Receive income each month
for your lifetime

Payments remain the same
regardless of market fluctuations

Deferred income annuity²

Often invest 2–10 years before needing the
income

Start securing lifetime income
early may require a lower
upfront investment

¹ In order to provide an income stream, there is no or limited access to assets.

² Deferred income annuity contracts are irrevocable, have no cash surrender value, and no withdrawals are permitted prior to the income start date.

Estimate monthly income with a fixed income annuity

Using our Guaranteed Income Estimator

Guaranteed Income Estimator

Step 1 of 3

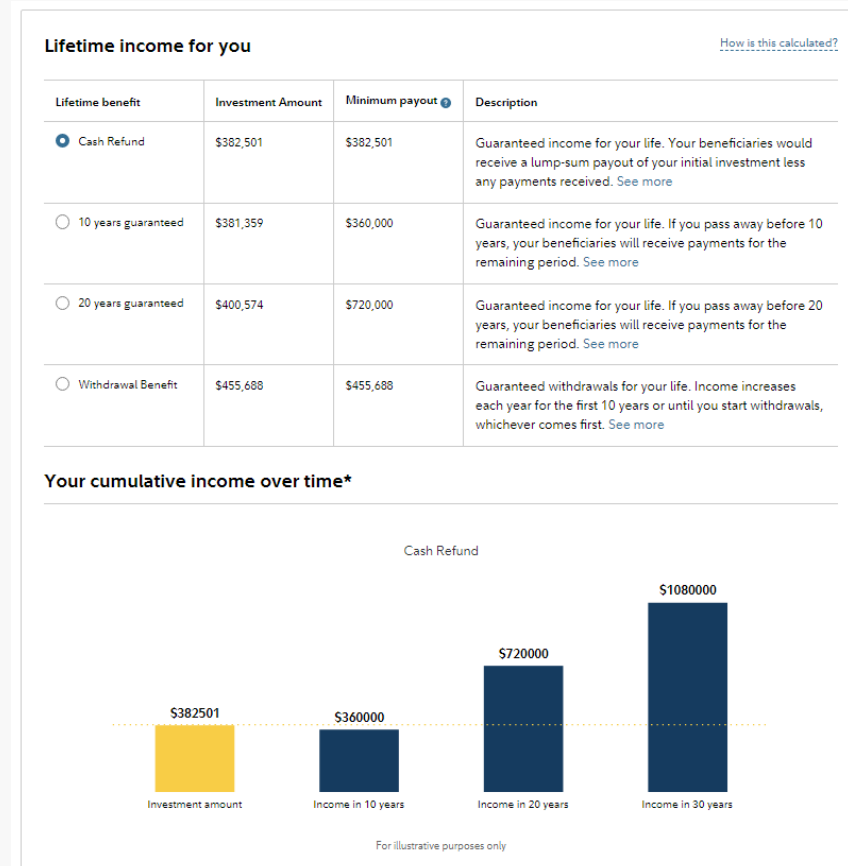
Who is the annuity for?

A lifetime income annuity can be just for you or held jointly with a spouse. Including a spouse may increase the period of time the annuity is paid out but may also change the amount.

☐ Just me

☐ My spouse & me

☐ I'd prefer income for a set number of years ?



Align predictable income to essential expenses

Maintain your lifestyle regardless of market fluctuations



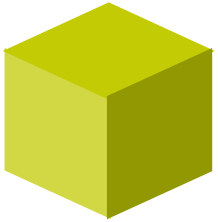
Predictable Income

Social Security, pensions,
fixed income annuities



Essential expenses

Food, housing, health care,
taxes, your other must-haves



Growth potential

Use investment income to fund discretionary spending.

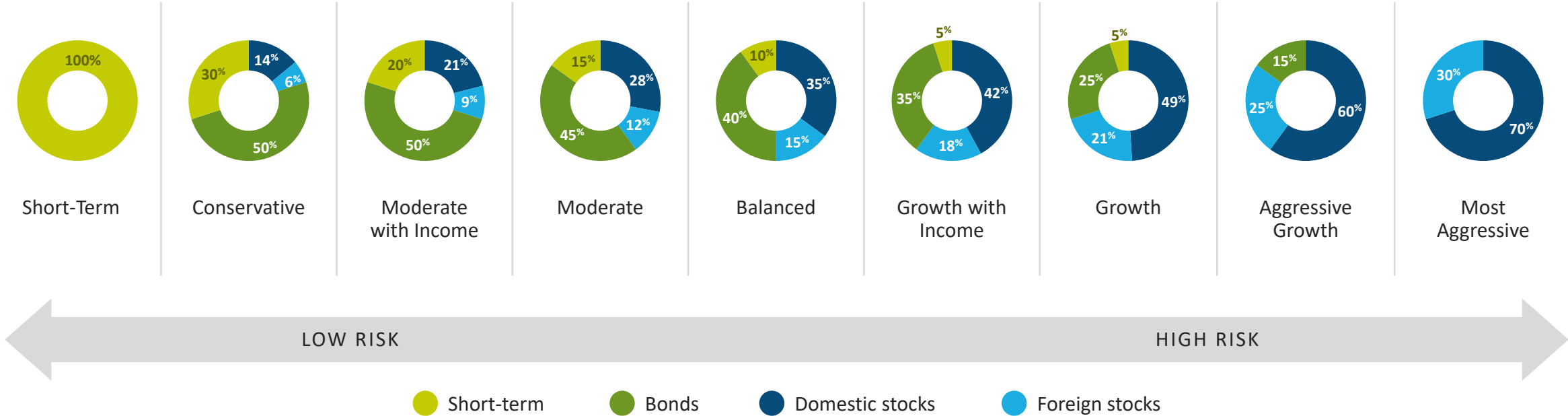
Reassess your appetite for risk and adjust asset allocations.

Meet your long-term needs and keep up with inflation.

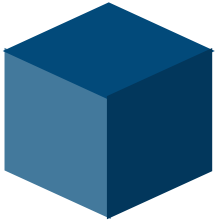
Growth potential

Build an investment strategy and remain disciplined

Target asset mixes



The purpose of the target asset mixes is to show how target asset mixes may be created with different risk and return characteristics to help meet an investor's goal. The four asset mixes above do not represent the full range of target asset mixes. 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. These target mixes were developed by Fidelity Investments. Asset allocation does not ensure a profit or guarantee against a loss.



Flexibility

Create a plan that can adapt to life's inevitable curveballs.

Prepare for the unexpected with flexible spending.

Review and adjust your plan as your priorities change.

Prepare for the unexpected

Build flexibility into your plan



**Create an
emergency fund**



**Save for
nonessentials**



**Sell investments
if needed**



**Understand the
need for trade-offs**

Potential income strategies



Using other income
before claiming Social
Security



Taking systematic
withdrawals

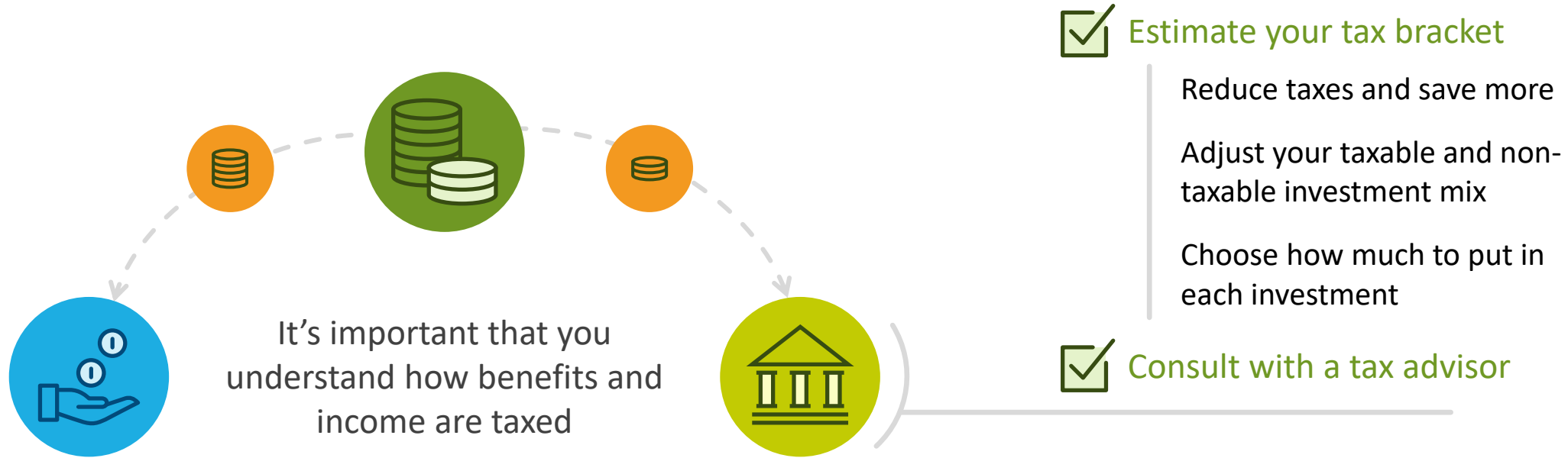


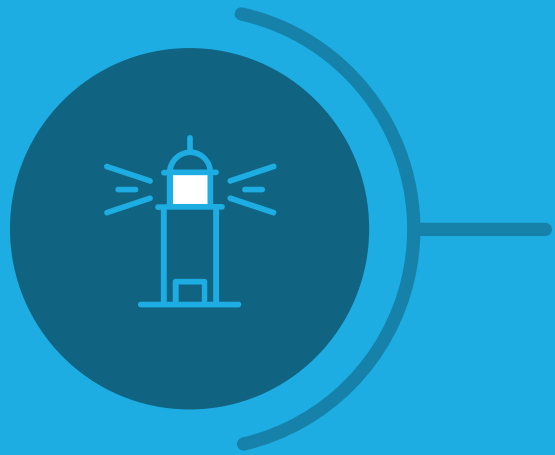
Living off earnings
and interest

The best strategy for you
will depend on your goals
and financial situation

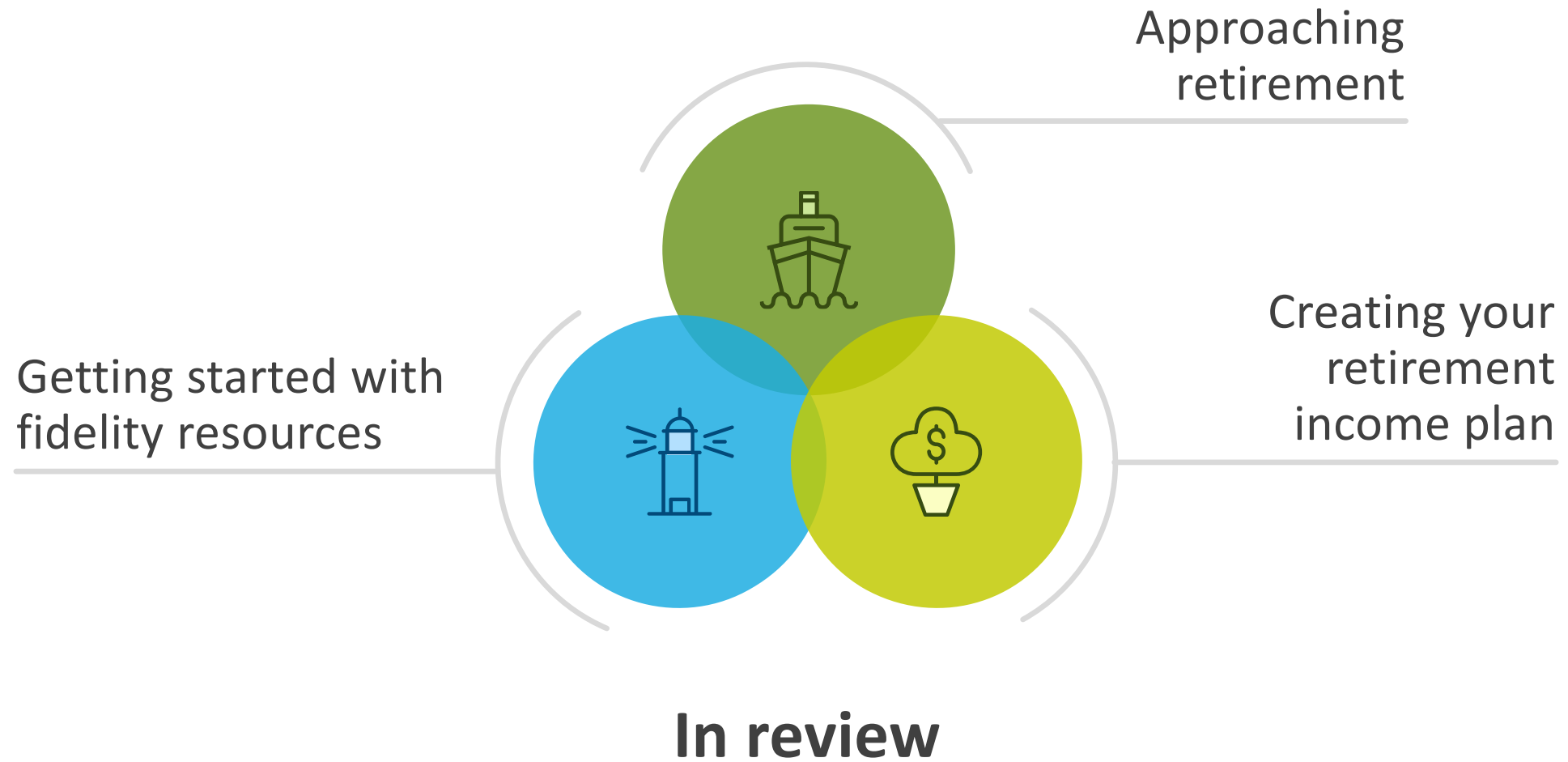


Managing your tax situation

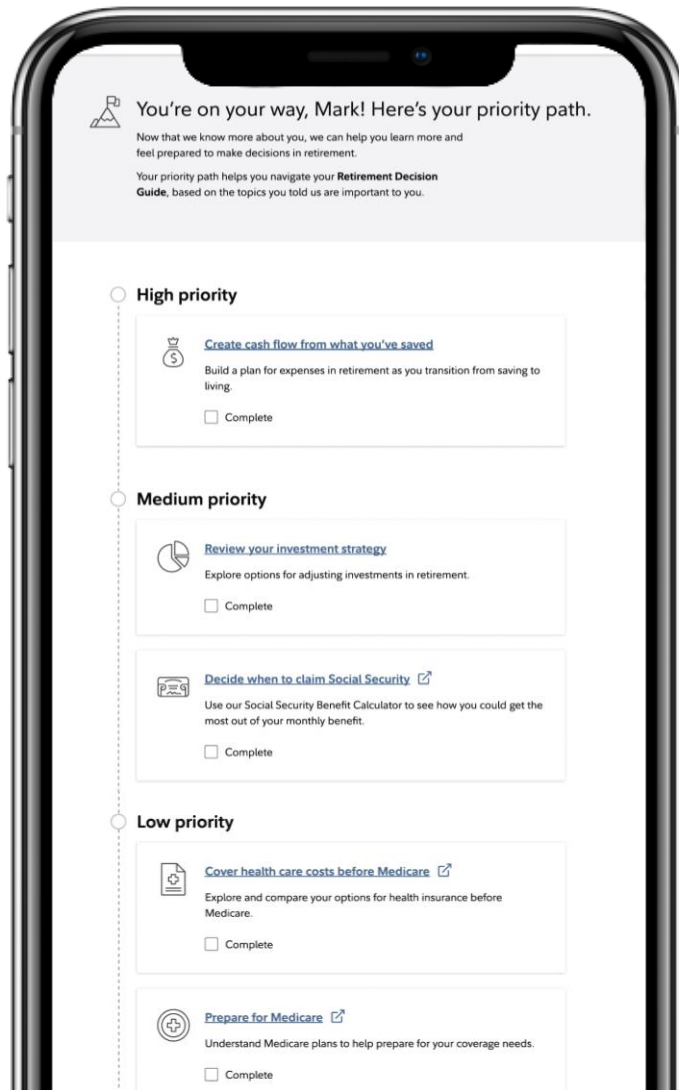




Resources



Retirement Decision Guide



A digital educational tool designed to guide and help you make informed decisions as you prepare for and transition into retirement, enabling you to:



Generate a pathway to retirement based on decisions most important to you



Access educational information and tools on priority topics including social security, investment strategy, healthcare, cashflow, and estate planning



Feel more confident and supported as you transition to retirement

NetBenefits.com/retirementdecisionguide

Screenshots are for illustrative purposes only.

Take action

Social Security benefit calculator

Determine a Social Security claiming strategy that works best for your retirement plan

[NetBenefits.com/
socialsecurity](https://www.netbenefits.com/socialsecurity)

Retirement decision guide

Make informed decisions as you prepare for and transition into retirement

[NetBenefits.com/
retirementdecisionguide](https://www.netbenefits.com/retirementdecisionguide)

Call for help
800.603.4015



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retirementdecisionguide](https://www.netbenefits.com/retirementdecisionguide)

<Call your plan's financial
representative*
[XXX-XXX-XXXX](tel:XXX-XXX-XXXX)>

<Call for help
[800.603.4015](tel:800.603.4015)>



Thank you!

Important information

This information is intended to be educational and is not tailored to the investment needs of any specific investor

Investing involves risk, including risk of loss.

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Diversification does not ensure a profit or guarantee against a loss.

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Bonds are represented by the U.S. Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income.

Short-term instruments are represented by U.S. Treasury bills, which are backed by the full faith and credit of the U.S. government.

Inflation is represented by the Consumer Price Index, which monitors the cost of living in the United States

Important information

Annuity guarantees are subject to the claims-paying ability of the issuing insurance company.

Income annuities have limited or no access to assets. Withdrawals of taxable amounts and taxable income received from an annuity are subject to ordinary income tax. Withdrawals of taxable amounts taken before age 59½ may be subject to a 10% IRS penalty.

Fixed income annuities may be offered as distribution options from retirement plans to eligible participants or purchased outside of the plan. Annuities available as distributions from retirement plans are selected by the plan fiduciary and subject to the terms of the plan. The forms of annuity payout may be subject to requirements imposed by the Internal Revenue Code.

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.

Participants should carefully consider all the available options and the applicable fees and features of each before moving their retirement assets.

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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 (if held to maturity), but returns are only slightly above the inflation rate.

In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so holding them until maturity to avoid losses caused by price volatility is not possible.

You cannot invest directly in an index. Past performance does not guarantee future results.

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