FIDELITY INSTITUTIONAL℠

Life’s Big Moments

A conversation guide

Fidelity INVESTMENTS®

Will you be ready?

Having conversations and preparing for life's big moments isn't always easy, and it can be uncomfortable.

Our lives are filled with many ups and downs, but by using this guide you are taking steps to start preparing for planned, and unplanned, events that may affect your financial future.

Planning for Life's Big Moments

We all experience big moments in our lives and these moments can have a big impact—on our finances, our health, our stress levels, and our overall wellness.

We've created this conversation guide to help investors talk with their financial representative about how to prepare for both planned and unexpected events that may impact financial wellness.

Preparation helps build confidence. By thinking about—and talking about—some of life's most common events, we are empowered to get organized and make informed decisions along our journey.

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It's time to reshape our thinking on aging

Many people base their planning on what their grandparents or parents experienced, but lifestyles have changed and individual life expectancies have improved dramatically over the past century.

Current trends suggest that **1 in 3 males** and **1 in 2 females** who are in their mid-50s today **will live to be 90.**

Source: Society of Actuaries (SOA) Age Wise Longevity Infographic Series, 2016.

Why Planning Matters

Conversations about life's big moments can empower you and your loved ones. Working with your financial representative, you can set priorities, determine goals, identify gaps, and build plans around the future you envision.

As life expectancy increases, we have the opportunity to design our path. For many Americans, retirement today can stretch 25 years or more, and may involve a mosaic of leisure, work, and giving back to society. With complex lives, our financial picture can become complicated and by not having these conversations, it can have unintended consequences. Planning ahead can help give you greater control of your legacy.

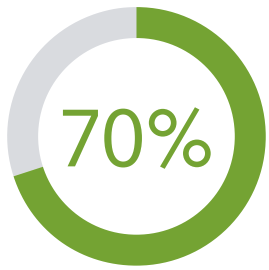
Planning with Purpose

Life's Big Moments: A Conversation Guide offers information and considerations that many have found useful during their life journey. You can use this guide as a way to help record important information, discuss life decisions, and share your wishes with loved ones.

Start small
Having conversations and preparing for life's big moments isn't always easy, and may seem overwhelming at times. It may help to break up the discussion, and start by documenting and discussing what's been done already.

Commit to the process
Revisit your plans periodically and commit to having ongoing conversations with your trusted financial representative and loved ones annually, or whenever a major life event occurs.

Elevate your confidence by planning



In a Fidelity survey, **70%** of people who sought help from a financial professional and took action felt confident about their finances.

Source: Fidelity Markers of Financial Wellness Survey of more than 6,000 active Defined Contribution plan participants recordkept by Fidelity, who have input into household financial decisions. Conducted by CMI Research, an independent third-party research firm, July 2016.

Get the Most Out of This Guide

Look for these symbols throughout this guide to direct you to helpful tips, ways to start a conversation, and action steps to consider to help close the planning gap.

Did You Know?

Steering through life's journey can be complicated. Read these facts to learn about things to keep in mind as you consider your goals and preferences.

Start the Conversation

Talking about your wishes for the future can be uncomfortable and challenging. Use these questions to start critical conversations, communicate what matters most to you, and empower you and your loved ones to keep talking into the future.

Get Organized

Having an organized plan and process can help give you peace of mind. Consider these steps to take action and proceed with confidence.

Help Close the Gap

At the end of each section, reference specific steps you can consider to help close any gaps in your plan. By working with your trusted financial representative to document steps you have already taken and identify conversation areas to still be addressed, you can boost your confidence in your plan's completeness.

Planning ahead can help give you greater control of your legacy.

88% of clients believe they've successfully prepared for their family's financial future

Only 8% have completed key documents and had crucial conversations

Source: Fidelity Greenline Forum, 2014.

Relationships

From bank accounts to budgeting to beneficiaries, how will you chart your financial future in relationships?

Considerations as You Combine

Relationships can bring life-changing moments for many of us, and it's important to be prepared. You might be single, cohabitating with someone, married, divorced, or widowed, but regardless of your relationship status today, it's important to be organized should your status change in the future.

If a long-term commitment is in your future, it is important to talk with your partner and plan for your financial future together.

- **Have the money talk.** Start by having an honest conversation with your partner about your current financial situation. This includes your assets and debts, spending habits, and budget.
- **Discuss your goals.** Are you looking to save for a special vacation? Eliminate debt? Start a side business? Make sure your partner is aware of your financial goals, and that you are aware of his or her goals.
- **Know your starting point.** Every couple will have a unique situation so it's important to begin the planning conversation with an accurate view of your financial situation.
- **Update your existing plans.** Be sure to update accounts, beneficiaries, and other planning documents as needed.

And for those that tie the knot or remarry later in life? There may be unique financial situations for couples to consider related to retirement and legacy planning.

Start the Conversation

"How will we share expenses and assets?"

"I was thinking it's time to update my beneficiary designations."

"When it comes to managing our financial responsibilities as a couple, what's going to work for us?"

Separating Assets

Divorce can be a difficult transition, and unfortunately it can knock you off your sound financial footing. The divorce rate among young adults has fallen in recent years, in part because younger adults are putting off marriage until later years. Yet, while divorce is becoming less common for younger adults, the so-called "gray divorce" rate—adults 50 and older—is on the rise.

No matter their age, many people mistakenly assume that obtaining legal counsel is enough when going through a divorce. It may not be. A divorce attorney may not have the financial expertise needed during this time when legally binding decisions are being made. Working with your financial representative can be critical to navigating this difficult transition and rebuilding your investment strategy.

Important financial considerations during a divorce include:

- Costs associated with divorce, including attorney fees
- Why you should negotiate retirement assets (including your 401(k), 403(b), or IRA accounts) differently than cash or other assets
- Considerations if you live in a community property state, including the potential for hidden debt
- Claiming Social Security benefits
- Setting a budget and financial goals as you rebuild and move forward
- What to do with settlement expenses and/or proceeds
- Health insurance coverage
- Tax-efficient approach to the separation of assets
- Consulting your accountant or tax advisor to determine any potential tax consequences.

Did You Know?

2X

The divorce rate doubles after age 50.

Source: PEW Research Center, "Led by Baby Boomers, divorce rates climb for America's 50+ population," 2017.

Get Organized

Common account-related tasks to consider during a divorce:

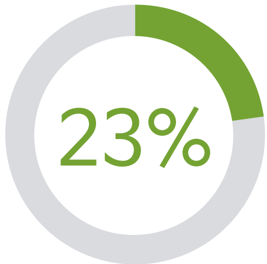
- ☑ Close joint accounts and shift registrations to single accounts
- ☑ Update your beneficiaries
- ☑ Update your passwords

Remarriage Is on the Rise

Today, many Americans who find themselves suddenly single—whether due to divorce or death—are considering remarriage or cohabitation. If your marital status changes, consider the following questions:

- Will you share debt?
- Whose health care plan will you use?
- Should you change your health care proxy?

Did You Know?



of all married persons have been married before.

Source: PEW Research Center, "8 facts about love and marriage in America," 2019.

Social Security and Marital Status

When and how to take Social Security can be one of the most important retirement decisions, and your marital status may affect your plan.

If you're married ...
Consider coordinating your plan with your spouse, as married people are potentially eligible for benefits on both your own and your spouse's work record. However, if you are due two benefits you will only receive the one that pays the higher rate, not both. Perhaps you can choose when to retire but your spouse cannot, or perhaps your spouse's lifetime earnings are greater than yours. Strategize and make plans with your spouse so that together and individually, you maximize your benefits.

If you're divorced ...
You may qualify, under certain circumstances, to claim benefits based on the earnings record of your former spouse. Talk to your financial representative about whether or not you can claim spousal benefits if you were married for 10 years or more before getting divorced.

If you are widowed ...
You may be eligible to collect your former spouse's Social Security payments as a survivor benefit. You may be able to switch from receiving your own benefit to receiving a survivor benefit, and vice versa.

Will your marital status change your wealth transfer plans?

Read more on page 56.

Help Close the Gap

Know your starting point. No matter your relationship status, comprehensive planning starts with reviewing financial documents and discussing your goals with a trusted financial representative. Check the boxes below as you make progress.

If you're considering combining finances with your partner, start by having an honest conversation about:

- ☐ Current financial situation, including income, savings, and debt
- ☐ Budgets
- ☐ Spending habits
- ☐ How you'll divide financial responsibilities
- ☐ Potentially updating beneficiaries on existing or split accounts

If you're separating assets, don't assume that your legal counsel is enough. Your divorce attorney may not have the financial expertise needed to help navigate your investment strategy, including:

- ☐ Why retirement assets, such as 401(k)s or IRAs, should be treated differently than other assets
- ☐ How Social Security strategies may be impacted

If you're considering remarriage, have an open dialogue with your partner about your current financial situation and goals. You can work together to decide how you'll handle:

- ☐ Assets and debts
- ☐ Health care coverage
- ☐ Beneficiaries on existing accounts
- ☐ Estate planning

The key to smooth relationship transitions is ongoing communication, with your partner and your financial representative. As you journey through life, it's important to keep the conversation going and periodically revisit your plans to help ensure you're closing any planning gaps.

Notes

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Making a Large Purchase

Can you pay for something big and still meet other important financial goals?

Is a Large Purchase on the Horizon?

There are many big-ticket items you could potentially want to purchase—a second home, a piece of land to retire on, a dream vacation, a remodeling project, a child's wedding, or even a new car or boat.

You'll likely make several large purchases over the course of your life, and the way you choose to pay for these items can have significant implications for overall financial planning. Before spending a big chunk of change on a large purchase, work with your financial representative and talk with your partner to help ensure you can still meet other important financial goals.

Balancing a Large Purchase and Long-Term Goals

- If you plan to sell investment assets to finance your large purchase, have you considered which to sell and which to hold? Your financial representative can help you weigh these decisions so you can stay on track with other important goals.
- Are you planning more than one large purchase over the next three years? If so, now may be a good time to make a prioritized list of those purchases so your financial representative can help you plan accordingly.
- Have you accounted for other costs that may be associated with your large purchase, such as any ongoing maintenance, taxes, insurance, or other fees? Your financial representative can help you project possible costs so you can include them in your plan.

Start the Conversation

If your large purchase is a second home:

"Do I have a handle on taxes, maintenance, and insurance costs?"

"Are there any community rules I need to know if I plan to rent out the property?"

"Does the house come furnished, or will I need to factor that into my budget?"

"How far am I willing to travel to get to and from this second home?"

"Have I considered the real estate market in the surrounding area in case I decide to sell later?"

Should I consider borrowing versus selling assets?

Discuss the Details of Your Plan

A detailed conversation with your financial representative can help you understand the financial implications of the purchase and some of the choices or trade-offs involved.

Make a list of the reasons you want to make your purchase to help determine whether it makes sense for you and your overall financial picture. You might start by considering:

- What is your time frame and what factors are driving that?
- Is the purchase likely to appreciate or depreciate over time?
- If you plan to finance all or part of the purchase, how will that affect your overall debt situation?

Get Organized

If you're planning to finance your large purchase, you may want to start gathering these items:

- ☑ Pay stubs
- ☑ Financial statements
- ☑ Tax records

Help Close the Gap

Plan your future together. Your financial representative can help you understand how a large purchase fits with your overall finances. Together, you and your financial representative can:

- ☐ Identify your objectives and track progress toward them.
- ☐ Set up a clear plan of action, including a realistic time frame and an investment strategy aligned to your goals.
- ☐ Ensure that the purchase doesn't upset other key goals, such as saving for your retirement.
- ☐ Identify any trade-offs that may be necessary in order to make the purchase possible.

Consider doing these things before using credit to make a large purchase:

- ☐ Carefully review your existing assets, check your credit score, and make a list of the pros and cons of borrowing.
- ☐ You may want to discuss your large purchase plans with other professionals in addition to your financial representative, such as your CPA and/or attorney, to make sure you're planning for all aspects of the decision.

Taking the time to confirm that your upcoming purchase fits with your overall financial plan will likely give you greater peace of mind—especially as you work toward your other important financial goals, including retirement and paying for a child's education.

Notes


Education
Planning

With so many ways to address education costs, how will you approach this important goal?

Balancing Your Child's Education with Other Financial Goals

With the rapid rise in tuition costs, educating a child is more than an investment in a child's future—it's also a financial commitment that could sidetrack your financial goals if it's not properly planned for. It's a good idea to engage with your financial representative to help your family navigate this pivotal life event.

Start Planning as Early as Possible

One of the best things to do is to start saving early and learn how to balance saving for a child's education and other goals. On average, parents start saving for education when their kids are 1–5 years old.

A first step may be to consider:

- How many children are you saving for, and when do they plan to enroll?
- What are your other major financial goals?
- Will you pay for any school your child gets into, or would you prefer to explore other schools with potentially lower costs?
- What savings methods have you considered?
- Do you expect your children to contribute?

Did You Know?

More than 75% of students are accepted at their first-choice school. It may make sense for you to prepare financially for this possibility.

Source: EAB, 2017.

Which Account Might Be Right for Your Needs?

There are several ways to start saving toward a child's education, here are three types of accounts that many families consider:

529 College Savings Plan	**UGMA/UTMA** Uniform Gifts to Minors Act/Uniform Transfers Minors Act Accounts	**The Coverdell Education** Savings Account
These tax-advantaged accounts are designed to pay for qualified education expenses. They can be used for a student of any age.	Custodial accounts invested in the child's name, these accounts can be used for any expense for the benefit of the child.	Custodial accounts invested in the child's name, these accounts can be used for any expense for the benefit of the child.
Any earnings grow tax-deferred and qualified distributions are federal income tax-free		
✓	Part of investment earnings may be tax-exempt	✓
Annual gift-tax free transfers		
Up to $75,000 per beneficiary in a single year ($150,000) per married couple)[1]	Standard $15,000 annual ($30,000 per couple)	$2,000 annual contribution limit
Beneficiary can be changed[2]		
✓	—	✓
Participant (account-owner) maintains control over distribution of assets[3]		
✓	Distributions must be used for minor	✓
Contributors not limited by the income of the participant (account holder)		
✓	—	Cannot contribute if AGI is over $110,000 (for single) or $220,000 (for joint filer)
No age limit for the beneficiary (child)		
✓	The minor gains control of the assets at age 18 or 21, depending on state law	Balances must be distributed by age 30 to beneficiary to avoid penalties/taxes
Low impact on financial aid		
✓	—	✓
Choice of investments		
Choice of portfolios is managed by a professional fund manager	Owner researches and chooses investments	Owner researches and chooses investments

[1] For 529 accounts only, the new beneficiary must have one of the following relationships to the original beneficiary: 1) a son or daughter; 2) stepson or stepdaughter; 3) brother, sister, stepbrother, or stepsister; 4) father or mother or an ancestor of either; 5) stepfather or stepmother; 6) first cousin; 7) son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or 8) son or daughter of a brother or sister. The spouse of a family member (except a first cousin's spouse) is also considered a family member. However, if the new beneficiary is a member of a younger generation than the previous beneficiary, a federal generation-skipping tax may apply. The tax will apply in the year in which the money is distributed from an account.

[2] In order for an accelerated transfer to a 529 plan (for a given beneficiary) of $75,000 (or $150,000 combined for spouses who gift split) to result in no federal transfer tax and no use of any portion of the applicable federal transfer tax exemption and/or credit amounts, no further annual exclusion gifts and/or generation-skipping transfers to the same beneficiary may be made over the 5-year period, and the transfer must be reported as a series of 5 equal annual transfers on Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return. If the donor fails to survive the 5-year period, a portion of the transferred amount will be included in the donor's estate for estate tax purposes.

[3] For 529 savings plans, contributions are considered revocable gifts; owner controls the account; child is the beneficiary. For UGMA/UTMA accounts, contributions are considered irrevocable gifts; distributions must be used for minor; custodian controls the account until it is transferred to the minor at the age of majority. For Coverdell accounts, contributions are considered irrevocable gifts; account owner controls the account; child is beneficiary.

If you or the designated beneficiary is not a resident of the state sponsoring the 529 college savings plan, you may want to consider, before investing, whether your state or the designated beneficiary's home state offers its residents a plan with alternate state tax advantages or other state benefits, such as financial aid, scholarship funds, and protection from creditors.

Units of the portfolios are municipal securities and may be subject to market volatility and fluctuation.

Here Are Some Additional Steps You Can Take

Meet with your financial representative to help determine how much you should be saving each month and the best options for you to consider. College won't be an insignificant investment—even in-state tuition and fees can cost more than $10,000 per year.

- **Engage the entire family** in frank, age-appropriate conversations about education, what support you are willing to provide as parents, and what the kids' responsibilities are.
- **Investigate financial aid** and scholarship possibilities for each school your child is considering.
- **Don't forget about your retirement.** Without proper planning, even well-meaning parents could fall behind on retirement preparation during their key savings years, so factor your other financial goals into your calculations. Remember, money in your retirement accounts won't affect your child's eligibility for college aid.
- **Start saving now.** You will still need cash to help pay for your child's education, even if your family does qualify for help. One option is to invite your friends and other family members to contribute to your child's education through gifting.

Did You Know?

$10,230

The average yearly tuition and fees for full-time in-state students at public four-year colleges and universities.

Source: College Board, 2019.

Help Close the Gap

Work together with your family to determine the best college for your child to attend and whether or not you expect your child to contribute to paying for college. Take these steps before submitting your Free Application for Federal Student Aid (FAFSA):

- [ ] Reevaluate your contributions to retirement accounts
- [ ] Pay off debt, which can help improve your credit score
- [ ] Shift assets out of your child's name

Work with your financial representative to estimate what college will cost and decide how you plan to pay for it.

- [ ] Review your investment portfolio to help ensure assets are balanced and aligned to your goals
- [ ] Consider opening a 529 savings account or other investment account designated for education
- [ ] Check on your retirement goals and see if paying for college fits within your overall financial picture

Your decision to save for your child's education is likely to benefit them, and your family, in the years to come. Now may be the time to delve into other vital aspects of your future that could affect your financial goals, from retirement savings to health care needs to caring for an aging relative.

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Retirement

Stepping away from full-time work, whether unexpectedly or carefully calculated, is a major life moment.

How do you plan for what's next?

If You Find Yourself Suddenly Retired

Chances are, you've thought about retirement quite a bit over the years. For some, retiring early is a dream. But for those faced with an unplanned early retirement—due to a change in their employment or a medical concern—it may be a different story.

As retirement nears, you will have several big decisions to make, including when to take Social Security, how to pay for health care, and how to generate income from your retirement assets. These decisions are interconnected and could make a difference in your living costs and lifestyle in retirement.

If you find yourself unintentionally retired for any reason, it's important to revisit and consider recalibrating your plans.

Understand when your benefits end

- If you have health, disability, and life insurance with your employer, find out when those benefits will cease so you can plan for any potential gaps in coverage. If there is a gap, there are programs like COBRA that will provide you with interim health care coverage.
- Under age 65? Review and consider all your Medicare options.

Examine your expenses and recalibrate your budget

- Do you know if you will have enough to live the life you want in retirement?
- Start by looking at where you are spending your money today and where you expect your costs to increase.
- See "A quick guide to estimating expenses" for additional information on page 33 of this guide.

Reevaluate your retirement income plan

- A retirement income plan should include guaranteed income,* growth potential, and flexibility.
- Work with your financial representative to review your plans and prepare for a potential long retirement, inflation, and market volatility.
- Determine your strategy for collecting Social Security.

In a Fidelity poll of "early retirees" (individuals between the ages of 50 and 64 who had retired within the last three years), **56% had retired earlier than they expected.**

Moreover, **30% of those did so due to a health event** affecting them or their spouse.

Source: Fidelity's Early Retiree Research. See survey methodology on last page.

* Guaranteed income may include Social Security, pensions, and annuities. Annuity guarantees are subject to the claims-paying ability of the issuing insurance company.

What Does Your Retirement Income Planning Roadmap Look Like?

Your retirement income plan should consider three things:

1. Income to help a retirement plan succeed
2. Growth potential to meet long-term needs
3. Flexibility to refine your plan over time

Start the Conversation

- When would you like to retire?
- Where would you like to live?
- How would you like to spend your time?
- What will an average day in your retirement look like?

START

In your 50s consider ...

- Envisioning your retirement lifestyle
- Designing your plan (including sources of income)
- Making 401(k) and IRA catch-up contributions
- Reviewing your current asset mix
- Reviewing future guaranteed lifetime income sources[4]

At age 55 consider ...

- Making catch-up contributions to health savings accounts (HSAs)

Did You Know?

Fidelity suggests a **15% yearly savings rate.**[5]

For illustrative purposes only.

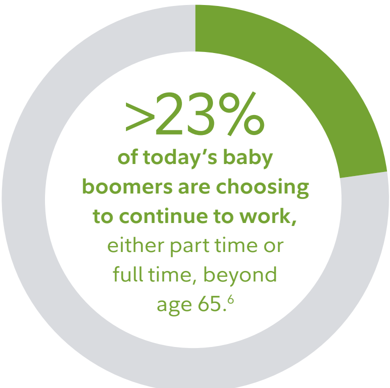
[4] Guaranteed income may include Social Security, pensions, and annuities. Annuity guarantees are subject to the claims-paying ability of the issuing insurance company.

[5] Fidelity's suggested total pretax savings goal of 15% of annual income (including employer contributions) is based on our research, which indicates that most people would need to contribute this amount from an assumed starting age of 25 through an assumed retirement age of 67 to potentially support a replacement annual income rate equal to 45% of preretirement annual income (assuming no pension income) through age 93. The income replacement target is based on the Consumer Expenditure Survey 2011 (BLS), Statistics of Income 2011 Tax Stats, IRS 2014 tax brackets, and Social Security Benefit Calculators. The 45% income replacement target (excluding Social Security and assuming no pension income) from retirement savings was found to be fairly consistent across a salary range of $50,000–$300,000; therefore the savings rate suggestions may have limited applicability if your income is outside that range. Individuals may need to save more or less than 15% depending on retirement age, desired retirement lifestyle, assets saved to date, and other factors.

Retired before age 65?

If you are retiring before you're 65 and don't have access to retiree health care coverage from your employer, there are four main ways to obtain health care coverage to help bridge the period between retirement and Medicare:

- COBRA coverage
- Spouse's plan
- Public marketplace
- Private insurance



In your 60s consider ...

- Refining your plan
- Determining Social Security strategies (for you and your spouse)
- Reassessing your risk profile and asset mix
- Building a detailed financial assessment
- Reviewing your health care strategy
- Reviewing future guaranteed lifetime income sources[4]

Age 65 and over consider ...

- Implementing your plan
- Medicare eligibility
- Implementing your Social Security strategy
- By age 67, Fidelity suggests you have at least 10x your ending salary put away for retirement expenses[5]

At age 72 consider ...

- Taking required minimum distributions

Did You Know?

After you take your first required minimum distribution (RMD), your deadline will always be December 31 each year. If you miss the deadline your penalty may be severe—**50% of the amount not taken on time.**

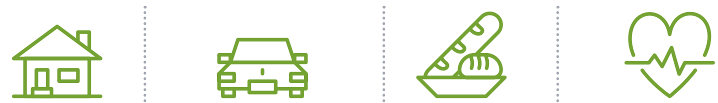
[6] Source: The United States Department of Labor, Bureau of Labor Statistics, "The Employment Situation," December, 2017.

A Quick Guide to Estimating Expenses

Whatever the size of your nest egg, retirement will mean changes in your financial life. Your sources of income will shift versus when you worked, as will the profile of your expenses and your financial priorities.

Making a budget may not be the first thing you look forward to in retirement, but it can be one of the most important things to do to start your retirement on the right path. Begin by dividing your estimated expenses into essential ("must have") and discretionary ("nice to have"). Add a buffer for unexpected costs that may arise.

For your essential expenses, you may want to think in terms of these four categories:

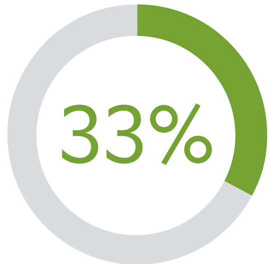


Housing | **Transportation** | **Food** | **Health Care**

A well-designed retirement income plan should be backed by an investing strategy that provides opportunities for your assets to generate earnings and helps your income keep pace with inflation. But investment returns will vary, and that, along with unexpected expenses, may require you to build some flexibility into your budget.

One way to plan for the ebbs and flows of the financial markets is to express your discretionary spending as a range. That way, you can choose to put aside unspent money in months when your costs are at the bottom end of the range and use it during months when your discretionary spending is higher or your overall income is lower.

Did You Know?



of respondents admitted to not having any idea of what their expenses could be in retirement.

Source: Fidelity Investments' "Bridging the Gap to Medicare" research, November 2017.

3X

According to the Kaiser Family Foundation, the percentage of household budgets spent on **health expenses is nearly 3 times as much for retirees on Medicare** as for working households.

Source: Kaiser Family Foundation, "Health Care on a Budget: The Financial Burden of Health Spending by Medicare Households," 2014.

How much will health care cost?

See Health Care on page 39.

Navigating Social Security

Maximizing your Social Security benefits is an important part of your retirement income planning roadmap. The Social Security Administration (SSA) determines the amount you receive in benefit payments: this is calculated largely by your lifetime earnings and your average lifetime expectancy.

Women and Social Security

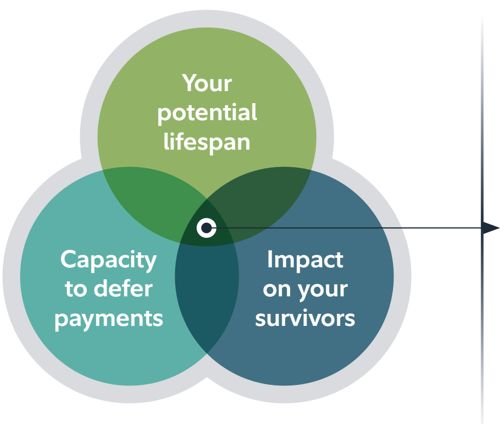
On average, women live longer than men and are more likely to be single and depending on one income when they are older. While Social Security can be an important part of any retirement income plan, it is especially important for women. Remember:

- It can pay to delay claiming your Social Security benefit.
- You can collect Social Security even if you are still working or earning self-employed income—with a few important caveats. Talk with your financial representative about your earnings to find out if it might affect your benefits.
- Social Security may not cover all your expenses in retirement. Work with your financial representative to learn other ways to save for retirement.

Get Organized

- **Know your full retirement age (FRA)**
  Your Social Security benefits are calculated according to your FRA, which ranges from 65 to 67, depending on your birth date.
- **Decide when you will start claiming your benefits**
  The earliest you can claim Social Security benefits is age 62, when you can start receiving reduced benefits. If you delay collecting benefits beyond your FRA, the amount of your monthly benefit will increase monthly until you reach age 70.
- **Understand tax implications**
  Your retirement income also affects whether or not your Social Security benefits are taxed.

Claiming Social Security Factors



Deciding when you should claim Social Security is a key part of retirement income for most people. When you decide to claim is a major decision that will have a long-lasting impact on you and your spouse.

Help Close the Gap

Identify your personal and financial goals in retirement. Write them down in this guide and revisit them during annual reviews or at the time of any major life event. Check the boxes below as you make progress.

Estimate your expenses. Divide your estimated expenses into essential and discretionary. Add a buffer for unexpected costs that may arise.

- [ ] Housing
- [ ] Transportation
- [ ] Food
- [ ] Health care

Create your own retirement income planning roadmap. Building a roadmap to ensure you have enough money to maintain the lifestyle you desire should include strategies for:

- [ ] Guaranteed income to help your retirement plan succeed
- [ ] Growth potential to meet long-term needs
- [ ] Flexibility to refine your plan over time

Decide when to take Social Security. Work with your financial representative to make a plan to help maximize benefits.

- [ ] Know your FRA
- [ ] Consider any short to intermediate needs that may arise
- [ ] Assess tax implications to your benefits depending on your income level
- [ ] Understand any impact on benefits due to marital status

If you enter retirement earlier than expected, review your retirement income roadmap with your trusted financial representative and understand where you may need to recalibrate.

Even the most carefully thought out plans may change. That's why it's important to recognize that many retirement planning decisions are interconnected. Talk to your financial representative to test your plan for completeness.

Notes

Notes

Changes in Health

Don’t let health care costs upend your retirement plans. Do you know your health care price tag?

Planning for Rising Health Care Costs

If you are like most Americans, you expect health care to be one of your largest expenses in retirement, after housing and transportation costs. Although many assume their savings or Medicare will cover all of their expenses in retirement, health care costs are often higher than anticipated.

As you plan for health care costs, consider:

Where will you retire?
Where you retire matters; there can be big regional variations in health care cost and quality.

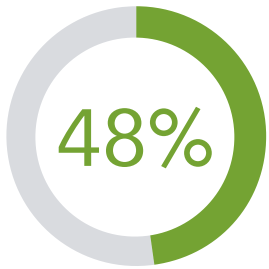
Are you ready to pay for what Medicare doesn't cover?
Review the Medicare section of this conversation guide with your financial representative.

Do you have a good relationship with your primary care doctor?
Getting regular checkups can help prevent possible health issues. And just like you have regular health checkups, having regular check-ins on your financial plan is important.

Live a healthy lifestyle
Exercise and proper nutrition go a long way in helping to reduce future medical care costs.

Retail health care costs

People continue to **underestimate** the out-of-pocket cost of health care during their retirement.



of people think they will spend less than $100,000.

Source: Fidelity Retirement Savings Assessment Survey. See research methodology on last page.

$295,000

The amount Fidelity estimates a couple retiring today at age 65 needs to save for health care.

Source: Fidelity Retiree Health Care Cost Estimate, 2020. See research methodology on last page.

Navigating Medicare

Medicare can help you pay your health care expenses after age 65, but is different in many ways from employer-sponsored health coverage. You and your spouse or partner may have different needs, so work with your financial representative to better understand your options.

Part A: Hospital Insurance
After you pay an annual deductible, Medicare Part A kicks in to pay for hospital stays, certain treatments and procedures performed in the hospital, care at a skilled nursing facility, and hospice care.

Part B: Medical Insurance
Medicare Part B was designed to pay for many of the health care costs not covered by Part A, including doctor visits and services, outpatient hospital care, physical and speech therapy, lab tests, blood transfusions, medical equipment and supplies, and ambulance services. There is a standard monthly premium that each individual pays, and it increases for higher income households.

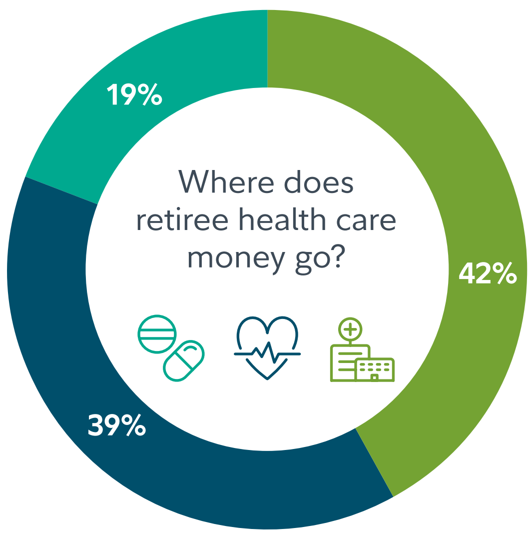
Part C: Medicare Advantage Plans
With Medicare, you can purchase an all-in-one managed care Medicare Advantage plan that provides your Part A and Part B coverage, gap coverage for many other services, plus costs that are not covered under Parts A and B, and may include Part D prescription drug coverage. Most Medicare Advantage plans provide coverage only for in-network providers for non-emergency services.

Medigap Supplemental Policies
Some health care costs won't be covered by either Part A or Part B, such as deductibles and co-pay amounts, and certain other services. Unless you have other health insurance—for example, if you are a veteran, a union member, or a retiree with an employer health benefit—consider a Medigap policy. Medigap policies are offered by private insurance companies and there are a variety of plans to choose from based on your coverage needs.

Part D: Prescription Drug Coverage
If you need prescription drug coverage, be sure to sign up for Medicare Part D. Prescription drug coverage is not included in Medicare Parts A or B, or in Medigap supplemental policies, but is included in some Medicare Advantage Plans. There is a standard monthly premium that each individual pays, and it increases for higher-income households.

- **Other medical expenses, including:** co-payments, coinsurance, and deductibles for doctor and hospital visits
- **Medicare Part B and Part D premiums:** doctor appointments and hospital visits
- **Generics, branded drugs, specialty drugs**

Source: Fidelity Benefits Consulting 2019.



Working After Age 65 and Medicare

Although most retirees enroll in Medicare at age 65, if you're still working, you have more options to consider for quality health care coverage.

If you continue to work after reaching age 65, you technically become eligible for Medicare, but you may or may not want to enroll right away. Your employer is required to offer you coverage, but is that your best option?

There's a lot to keep track of: enrollment deadlines, health care coverage options, and possible penalties to avoid. Start by talking to your benefits department to ensure you know how your health insurance will work after age 65. Planning for health care costs is a critical part of your retirement income plan, so talk to your financial representative as you coordinate the timing between your employer plan and Medicare.

Enrollment
Medicare open enrollment period runs from October 15 through December 7 annually. Once you select a Medicare plan, it's not forever. An ongoing dialogue with your financial representative is one of the best ways to be confident you have the right plan for your needs. Consider this an opportunity to reevaluate your situation every year and make any changes.

Start the Conversation

"Do I have coverage for dental, hearing, and vision care—services not covered by Medicare?"

"Is it important to continue seeing my current physicians?"

"Have I estimated the total out-of-pocket costs for prescription drugs?"

"Do I want flexibility to choose providers—particularly specialists?"

"Do I have protection from catastrophic illness?"

Long-Term Care Considerations

No one really likes to think about needing long-term health care services, but long-term care expenses can be a risk for your retirement plan. Each year an estimated 12 million Americans need some type of long-term care to assist in performing everyday tasks like eating or bathing. Every situation is different, but if long-term care is needed it may affect you and your caregivers financially, physically, and emotionally. In addition to thinking about your own long-term care planning, you may be responsible for helping your parents or other loved ones as they navigate changes in health.

You face a crucial decision as you get older: Should you rely on your retirement nest egg and other savings to pay the bill if you need long-term care, or should you consider the up-front cost of long-term care insurance? Having a plan to address these concerns is critical to easing the burden on you, your family, and your friends.

Consider four coverage options:

- ☑ Government programs, such as Medicaid or the Veterans Health Administration
- ☑ Traditional long-term care insurance
- ☑ Hybrid policies that combine long-term care with life insurance or annuities
- ☑ Personal savings

Your options depend largely on your personal and financial circumstances and what you expect for your standard of care—both now and in retirement. A thoughtful long-term care coverage decision is all about balance—weighing what you can afford, the kind of care you expect, and the risks you might face. Working with your trusted financial representative, it's a decision that may help provide you with peace of mind in your retirement.

Did You Know?

One in four baby boomer women have taken on a caregiving role.

78% of female caregivers report feeling more stressed

37% report saving less

Source: Fidelity Life Decisions Research. See research methodology on last page.

Help Close the Gap

Start by looking at your current health care coverage and decide what you may want to duplicate or change. You should also consider what benefits you don't mind paying for out of pocket. Check the boxes below as you make progress.

Know the costs of typical health-related expenses, including premiums, medical expenses, and prescriptions.

Get the Medicare facts. Paying attention to Medicare details can prevent costly missteps.

- ☐ Process and timeline to sign up
- ☐ Considerations if you are still working at age 65
- ☐ Common items and services not covered by Medicare Part A and Part B
- ☐ Impact on your premium fees based on income levels
- ☐ Consider potential tax implications

Decide which accounts you may use to pay for health care in retirement.

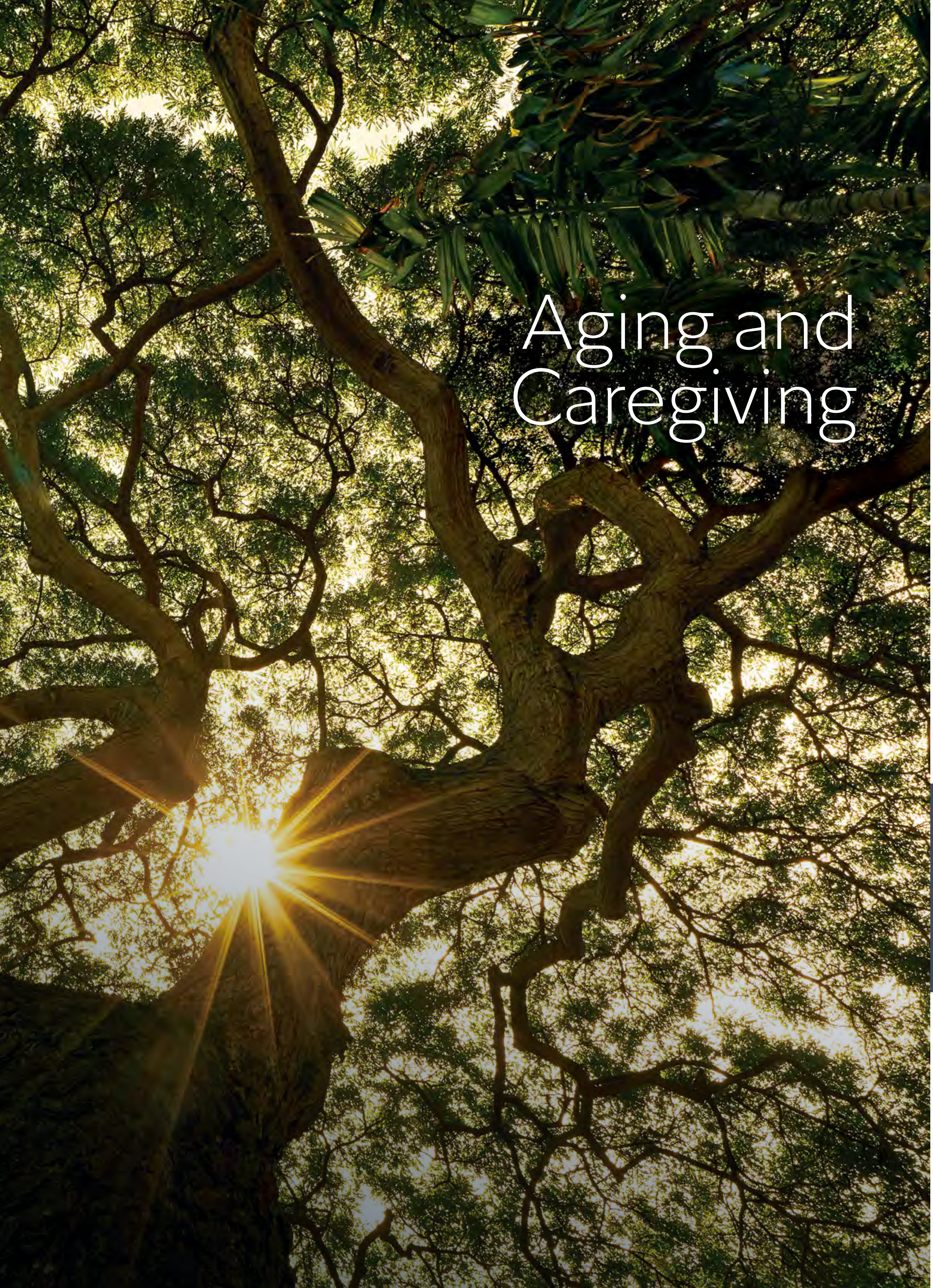
- ☐ Employer-sponsored retirement plans such as 401(k)
- ☐ Health Savings Account
- ☐ IRA
- ☐ Taxable accounts

Initiate a conversation about long-term care. Whether you have already stepped into a caregiving role for an aging loved one, or are thinking ahead about your wishes, you can benefit by opening a dialogue with your financial representative and your family about the financial and emotional realities you may face.

The cost of health care continues to rise, and many investors may not have considered how they will pay for health care expenses as they retire. A plan that does not specifically account for medical needs may have a gap. Talk to your financial representative to ensure your plan is ready for future medical expenses.

Notes

Aging and Caregiving



Caring for aging loved ones is one of life's most emotionally challenging moments. How can you look out for their needs—and your own?

Caring for Aging Loved Ones

Aging is a fact of life—and for many people, caregiving is as well. A comprehensive plan for helping those you love needs to address issues such as longevity, health care, and end-of-life wishes. And keep in mind that preparing to help others shouldn't mean neglecting your own financial and well-being needs.

The process starts by considering some basic questions, such as:

What provisions have loved ones made for their own care?
Review their health care resources, documents, and wishes.

Will they "age in place"?
Staying in the home they love may require everything from renovations to planning for at-home care.

Will responsibilities be shared?
Speak with family members about ways everyone can pitch in.

What experts can help?
A financial representative can lead a team, including an attorney, accountant, and doctors, to ensure seamless guidance for the family.

How will caregiving affect your own life and finances?
Work with your financial representative to review your investments and health care and retirement needs.

Did You Know?

Of **40 million caregivers** in the United States, **36 million** are unpaid.

Source: The National Alliance for Caregiving and the AARP Public Policy Institute, Caregiving in the U.S., June 2015.

$90,000

Average annual cost for nursing home care.

Source: Genworth Cost of Care Survey 2019, average annual cost for semi-private room.

BALANCING ACTS, PART 1

Anticipating Your Loved Ones' Needs

It's easy to find reasons not to speak with aging loved ones about the care they may need. Don't wait for the "perfect" moment—it probably won't come. The important thing is to get started. Once you've broken the ice, you may find that further discussions become easier and more natural.

Five Tips for Successful Meetings

1. Find a neutral setting and a time when your loved ones won't feel rushed.
2. Minimize interruptions and distractions such as cell phones.
3. Start small. Don't try to cover every topic in your first meeting.
4. Document and discuss what you've accomplished.
5. Use small wins to build confidence and momentum.

As a caregiver, you can provide help in many mays

- **Taking stock of available resources.** Review existing resources, such as Medicare, other insurance, and income from pensions, Social Security, and savings. Consult your local Area Agency on Aging for information on other potential resources.
- **Becoming a health care advocate.** The health care system can be confusing at best. Having one person keeping track of everything can help ensure nothing falls through the cracks.
- **Exploring care options.** From independent living communities to home health care to memory care, you can help your loved ones find the support they need.

Start the Conversation

"Where do you see yourself living in the years to come?"

"Let's discuss our options in case you need long-term care."

"I've noticed you're having some difficulty driving. What can we do to keep you safe?"

Get Organized

Encourage your loved ones to complete key documents, including:

- **Health care proxy or durable power of attorney for health care,** naming someone who can make health care decisions if they're unable.
- **Living will,** informing health care providers of their wishes regarding life-prolonging interventions.
- **HIPAA authorization,** enables health care providers to share a patient's medical information with designated individuals.

BALANCING ACTS, PART 2

Why Self-Care Is a Must

The caregiving role may at times be harder than you anticipated—especially at first. Studies have shown that caregivers have higher stress levels and a greater likelihood of depression than non-caregivers. Looking after your own emotional, physical, and financial needs could make you a better caregiver and help ensure that your personal goals stay on track.

- **Accept that you're human.** Don't make perfect the enemy of good. When you're stretched to the maximum, recognize that you're doing what you can.
- **Set boundaries.** Evaluate and sort necessary tasks from those that are less important. Learn to say no, and communicate what you can do, and when.
- **Identify your own needs.** Whether its regular time in the gym or yoga videos in your living room, staying active can improve your physical and mental health.
- **Find help.** The Area Agency on Aging nearest your home, or your local senior center, may be able to provide valuable information on caregiving.
- **Set a plan.** Share a "care plan" for financial, medical, social, emotional, and physical support, and speak with family and friends about how they might help.

Mind your own finances

- Work with your financial representative to review your investment portfolio to be sure your own goals stay on track.
- Avoid dipping into your retirement savings, which sacrifices potential for long-term growth.
- Ask your financial representative about your own projected health care needs and how you can prepare. Should you consider a health savings account?

Start the Conversation

"Do I have coverage for dental, hearing, and vision care—services not covered by Medicare?"

"Is it important to continue seeing my current physicians?"

"Have I estimated the total out-of-pocket costs for prescription drugs?"

"Do I want flexibility to choose providers—particularly specialists?"

"Do I have protection from catastrophic illness?"

Help Close the Gap

Use this guide to help make sure you cover all the bases. Check the boxes as you go, and use the "notes" section to jot down issues or concerns for a productive conversation with your financial representative.

Work with your loved ones to anticipate and prepare for events that you both hope will never happen.

- ☐ Do a review of Medicare coverage and other health care resources
- ☐ Acquire living will, health care proxy, and other key documents
- ☐ Have planning in place for cognitive decline
- ☐ Start long-term care considerations
- ☐ Use account-monitoring services to protect against fraud and theft

Work with your financial representative on these steps to keep your personal goals on track.

- ☐ Review of your investment portfolio to make sure assets are balanced and allocated for your long-term needs
- ☐ Project retirement income needs and where you stand right now
- ☐ Consider whether a Health Savings Account could help you meet projected medical expenses
- ☐ Establish an emergency fund

Nothing can make the role of caregiver easy. Yet by taking the time to anticipate your loved ones' needs, and your own, you may secure a better future for everyone. Speak with your financial representative for ways to keep it all in balance.

Notes

Notes

Legacy

Losing a loved one is one of the most difficult things that many of us will ever go through.

Have you considered your legacy plan?

Are You Prepared?

Despite the fact that death is inevitable, many of us find ourselves putting off related conversations. We know it's not easy to think about death—your own or your loved one's—but it is critical to ensure decisions are made that reflect what matters most to each individual, especially when dealing with an unexpected event when emotions are at the highest.

Here are some steps to consider:

- ☑ **Understand your wealth transfer objectives.** Consider important factors such as your future health care and living expenses, philanthropy, and desires to make educational gifts to family members as part of your wealth transfer decisions.
- ☑ **Make a family tree.** To best explore all the options for building your specific plan, your attorney will need to know all the players in your family—or families—and how they may factor into your intentions.
- ☑ **Identify your assets and liabilities.** Document your assets, their location, and their value.
- ☑ **Review beneficiary designations.** Start by getting copies of beneficiary designations for all your accounts, including insurance policies, annuities, and saving, brokerage, and retirement plan accounts.
- ☑ **Review your key documents.** Do you have a current will, trust, power of attorney, and/or health care directive?

Did You Know?

82% of adults say it's important to put their end-of-life wishes in writing, yet only **23% have actually done so.**

Source: California HealthCare Foundation Survey, 2012.

Transfer of Wealth

Some people refer to end-of-life planning as an act of love. Clear and compassionate conversations are key to easing confusion and fear. For many, these conversations may eliminate, or at least mitigate, the potential for family disagreements when money is involved.

Once you've identified your wealth transfer objectives, consider working with an attorney to help ensure the appropriate documents and plans are in place to carry out your wishes. As part of that process, consider who will make decisions for you when you cannot.

Choosing and documenting the appropriate people to fulfill the following key roles in your estate plan is a critical task for you and your family. It is also important to make sure the people you designate are comfortable taking on these roles and that you consider successors for each of them:

Personal representative/executor will work with your attorney—and potentially the court system—to ensure the collection and disposition of your assets to the appropriate people in accordance with your wishes.

Trustee is the individual or professional corporate trustee who will hold the trust assets on behalf of the trust beneficiaries. The trustee has the fiduciary obligation to make sure trust assets are properly invested and distributed according to the instructions in your trust.

Guardian is the individual who is legally responsible for the personal and property interests of your minor children. Note: The parties you designate to care for your children do not have to be the same parties who manage their assets.

Once you have your plan and documents in place, continue the vital discussions you've already started with your family members regarding the details of your plan. Sharing the particulars of your plan is a highly personal decision. But helping your loved ones better understand your intentions before any incapacitation or death is something to carefully consider.

Start the Conversation

"I want to be prepared for what may come; will you help me?"

"At the end of my life, I'd like my loved ones to know ..."

"My medical care wishes are ..."

"I want to ease the decision-making burden should something happen to me. Can we talk about my wishes?"

Supporting Documents

There are many types of documents intended to protect you and provide instructions in the event of your incapacity. Among them:

- A power of attorney appoints an agent to act on your behalf regarding financial and other matters while you are alive.
- A health care proxy names the agent who can make health care decisions for you if you are unable to communicate for yourself.
- A HIPAA release informs doctors and other hospital staff of people who can visit you and the information they can receive if you are unable to state your wishes directly.
- An organ donation form enables you to state your desire to have all or part of your body donated for transplant or medical research.
- A living will or medical directive outlines your wishes regarding life-prolonging medical treatments, and may vary depending on your state of residence.
- A final wishes letter of intent is not a legal document but can be a catchall for anything you want to document, including the type of service, burial, or cremation you want.
- A letter of instruction usually contains the critical information your family will need in the event of your incapacitation or death, including a contact list of your advisers, a current inventory of your assets, a list of legal documents, and instructions on where to find important information.

Store your documents in a safe place
You can either store your estate plan and other important documents in your attorney's office or select a fireproof place—such as a bank safe deposit box—that someone close to you can access in an emergency. Many families today use secure virtual safes to store copies of important documents and other information, such as passwords, financial statements, and wills.

Get Organized

If you plan to store your documents in a bank safe deposit box, be sure family members, successor trustees, or named agents will be able to access the safe deposit box upon your incapacity or death. Otherwise, your family may need to obtain court approval to gain access.

Help Close the Gap

Gather and sign important documents. Use this guide to inventory the location of critical documents such as a will, power of attorney, and health care proxy. Check the boxes below as you make progress.

Communicate where your documents are located. Make sure your loved ones know where your documents are and how to access them:

- ☐ Safe deposit box
- ☐ Secure online repository

Review your estate plan routinely, at least every three to five years. Changes that may impact your estate plan may happen more often than you realize, including:

- ☐ Tax laws
- ☐ Marriage or divorce
- ☐ Changes in your children's marital status if they are heirs to your estate
- ☐ Birth of a child or grandchild
- ☐ Death of a loved one

Understand inheritance basics. Every situation is unique, but knowing what to do can streamline the estate settlement process:

- ☐ Gather and review document and account records
- ☐ Get tax and legal advice
- ☐ Arrange for immediate household and financial needs
- ☐ Be aware of unique benefits, such as military benefits

Discuss your end-of-life wishes. While it may be uncomfortable to broach this topic with loved ones, having the conversation in advance may reduce emotional stress.

Many investors agree it's important to document and communicate their legacy wishes, but not everyone has done so. Take the time to talk to your trusted financial representative and loved ones to make sure your plans are up to date and to ensure your legacy goals are clear.

Notes

Notes

Helpful Resources

Having current and complete copies of important documents can guide caregivers should they need them.

By organizing key documents, you can help save loved ones stress, and provide direction to help ensure your wishes are followed.

Document Your Important Information

As you work with your financial representative to plan for life's events, use this section to help keep track of important contacts, document locations, and other information.

Personal Contacts

ACCOUNTANT/TAX PREPARER		**ACCOUNT NO.**
FIRM	PHONE	EMAIL
ATTORNEY		**ACCOUNT NO.**
FIRM	PHONE	EMAIL
ESTATE EXECUTOR/PERSONAL REPRESENTATIVE		**ACCOUNT NO.**
FIRM	PHONE	EMAIL
FINANCIAL REPRESENTATIVE/WEALTH PLANNER		**ACCOUNT NO.**
FIRM	PHONE	EMAIL
GENERAL INSURANCE AGENT		**ACCOUNT NO.**
FIRM	PHONE	EMAIL
LIFE INSURANCE AGENT		**ACCOUNT NO.**
FIRM	PHONE	EMAIL
POWER OF ATTORNEY/EXECUTOR		**ACCOUNT NO.**
FIRM	PHONE	EMAIL
TRUSTEE		**ACCOUNT NO.**
FIRM	PHONE	EMAIL
OTHER		**ACCOUNT NO.**
FIRM	PHONE	EMAIL

Medical Contacts

PRIMARY CARE PHYSICIAN		
OFFICE	PHONE	EMAIL
DENTIST		
OFFICE	PHONE	EMAIL
OPTOMETRIST		
OFFICE	PHONE	EMAIL
PHARMACIST		
OFFICE	PHONE	EMAIL
SPECIALIST		**TYPE**
OFFICE	PHONE	EMAIL
SPECIALIST		**TYPE**
OFFICE	PHONE	EMAIL
SPECIALIST		**TYPE**
OFFICE	PHONE	EMAIL
OTHER		
OFFICE	PHONE	EMAIL
OTHER		
OFFICE	PHONE	EMAIL
OTHER		
OFFICE	PHONE	EMAIL
OTHER		
OFFICE	PHONE	EMAIL

Important Documents

Be sure to store documents in a safe location, and make copies as appropriate. Consult your financial representative and attorney as you determine what documents should be kept where. You may want to consider digital storage, but be sure to examine cybersecurity of sites and share your password with loved ones.

WILL	LAST REVIEWED	LOCATED
TRUSTS	LAST REVIEWED	LOCATED
POWER OF ATTORNEY	LAST REVIEWED	LOCATED
HEALTH CARE PROXY	LAST REVIEWED	LOCATED
ORGAN DONATION	LAST REVIEWED	LOCATED
LIVING WILL/MEDICAL DIRECTIVE	LAST REVIEWED	LOCATED
LIFE INSURANCE POLICIES	LAST REVIEWED	LOCATED
LONG-TERM CARE INSURANCE POLICIES	LAST REVIEWED	LOCATED
OTHER INSURANCE POLICIES	LAST REVIEWED	LOCATED
FUNERAL ARRANGEMENTS	LAST REVIEWED	LOCATED
REAL ESTATE DEEDS	LAST REVIEWED	LOCATED
FINANCIAL RECORDS	LAST REVIEWED	LOCATED
OTHER DOCUMENTS	LAST REVIEWED	LOCATED
OTHER DOCUMENTS	LAST REVIEWED	LOCATED

Additional Resources

Interested in learning more? These resources can help:

Medicare.gov
The official U.S. Government site for Medicare.

Eldercare.gov
A public service of the U.S. Administration on Aging connecting you to services for older adults and their families.

AARP.org
AARP is a nonprofit, nonpartisan organization that empowers people to choose how they live as they age.

State Health Insurance Programs (SHIPtacenter.org/)
SHIPs provide free, in-depth, one-on-one benefits counseling and assistance to Medicare beneficiaries, their families, friends, and caregivers.

Benefitscheckup.org
The BenefitsCheckUp® is a free service of the National Council on Aging.

SocialSecurity.gov
Learn more about Social Security retirement, disability, and survivors' benefits.

Annualcreditreport.com
Provides free credit reports every 12 months from each of the 3 credit bureaus.

i.fidelity.com

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About Fidelity's Early Retiree Research: Unless otherwise noted, data represents insights from Fidelity Investments' survey on Bridging the Gap to Medicare. The online survey was conducted among a random sample of 1,003 adults between the ages of 50 and 64 who had retired in the past three years. The survey was fielded in November 2017 by Greenwald and Associates Inc., an independent third-party research firm. The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study.

Fidelity-sponsored HSA Survey, conducted by GfK Public Affairs & Corporate Communications, February 2013. The HSA survey was conducted by GfK Public Affairs & Corporate Communications from February 4 to 20, 2013. The study was conducted among a nationally representative sample of 1,836 U.S. adults ages 25–64 with a household income of $25,000 or more. Respondents also have primary or shared responsibility for household financial decisions and receive health care benefits through their own or their spouse's employer. Nearly half (48%) of the pre-retirees aged 55–64 surveyed estimated they would need only $50,000 for health care expenses in retirement.

Fidelity Investments Retirement Savings Assessment Survey, a national online survey of 3,182 working households earning at least $20,000 annually with respondents age 25 to 74, from September 14 through October 3, 2017. All respondents expect to retire at some point and have already started saving for retirement. Data collection was completed by GfK Public Affairs and Corporate Communication using GfK's KnowledgePanel®, a nationally representative online panel.

The 2020 Fidelity Retiree Health Care Cost Estimate is based on a hypothetical couple retiring in 2020, 65-years-old, with life expectancies that align with the 50% mortality age based on the Society of Actuaries RP-2014 Mortality Table projected with Mortality Improvement Scale MP-2017 as of 2018. Actual assets needed may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes. The Fidelity Retiree Health Care Cost 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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