



Planning for Life's Big Moments

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Will you be ready?



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Planning for Life's Big Moments



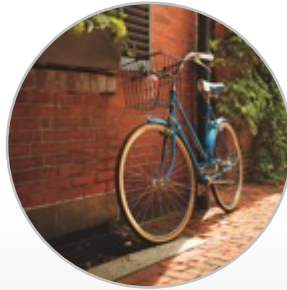
Relationships



Making a Large Purchase



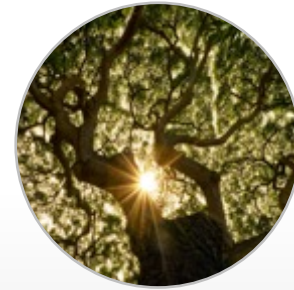
Education Planning



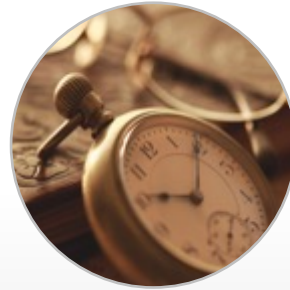
Retirement



Change in Health



Aging and Caregiving



Legacy

Financial confidence means being prepared for dreams and detours alike



Work with trusted
professionals



Get organized



Make a plan



Proceed with
confidence



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Relationships

CONSIDERATIONS AS YOU COMBINE

How will you **share expenses and assets**? • Have you discussed sharing debt? • What are the **tax implications**? • Whose health care plans will you use? • Have you updated your **beneficiary designations**? • Should you change your health care proxy?

Remarriage is on the rise

 **25%**

of all married
persons have been
married before¹

 **1M+**

couples who divorce
per year²

¹ Source: PEW Research Center, "8 facts about love and marriage in America," 2018.

² Source: Centers for Disease Control and Prevention, 2016.

SEPARATING ASSETS



Get organized

- Legal advice is different than financial advice



Make a plan

- Work together with trusted professionals, friends, and family
- Understand implications to dividing retirement accounts and Social Security benefits

Making a Large Purchase

Is a Large Purchase on the Horizon?



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PURCHASING A SECOND HOME

How will you pay for taxes, maintenance, and insurance costs? • Have you considered the real estate market should you decide to sell later? • How far are you willing to travel? • What is your time frame? Do you plan to finance all or part of the purchase?

PLAN YOUR FUTURE TOGETHER



Get organized

- Carefully review your existing assets, check your credit score, and make a list of the pros and cons of borrowing.



Make a plan

- Identify any trade-offs that may be necessary in order to make the purchase possible.
- Ensure that the purchase doesn't upset other key goals, such as saving for your retirement.

Education Planning

SENDING A CHILD TO COLLEGE

How will you **pay for college expenses**? • Have you discussed what you expect your child to contribute? • How much should you **save**? • When should you **start saving**? • How does a **529 plan** work? • What are the **tax implications**?

Critical conversations

35%

Parents whose children are at least in the tenth grade and have not discussed the total cost of college

50%

Amount parents expect their children to contribute

Source: 2018 Fidelity College Savings Indicator study

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Comparing College Savings Options

How do college savings compare?

There are many investment accounts you can use to help save for a child's education, which differ in features and benefits. Here are three types of accounts that many families consider:

529

College Savings Plan

These tax-advantaged accounts are designed to pay for qualified education expenses. They can be used for a student of any age.

UGMA/UTMA

Uniform Gifts to Minors Act/Uniform Transfers to Minors Act Accounts

Custodial accounts invested in the child's name, these accounts can be used for any expense for the benefit of the child.

The Coverdell Education Savings Account

Custodial accounts invested in the child's name, these accounts can be used for any expense for the benefit of the child.

Units of the Portfolios are municipal securities and maybe subject to market volatility and fluctuation.

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.

GET COLLEGE SAVINGS ON TRACK



Get organized

- Start conversations and talk about expectations with your family early on
- Work with a financial representative to explore college savings account options such as a 529 plan



Make a plan

- Treat college savings like paying a bill, making automatic monthly deposits into a dedicated college savings account
- Don't neglect other financial goals like saving for retirement

Dollar cost averaging does not ensure a profit or guarantee against a loss.

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Retirement

ASSERT CONTROL

What are **your expenses**? • How will you pay for health care? • What other **income sources** do you have? • Has your risk tolerance changed?

Know your expenses

31%



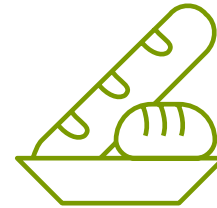
Housing

15%



Transportation

12%



Food

12%



Health Care

Source: Data illustrates the percentage of total income the average household spends on food, housing (including utilities), transportation, and health care. Data are based on the 2017 Consumer Expenditure Survey by the Bureau of Labor Statistics (BLS). See research methodology on final slide.

RETIRING WITH CONFIDENCE



Get organized

- Identify your lifestyle goals
- Understand your guaranteed income sources, assets, and expenses



Make a plan

- Work with a financial representative to connect your dreams with your means

Change in Health

Can you afford to be healthy in retirement?

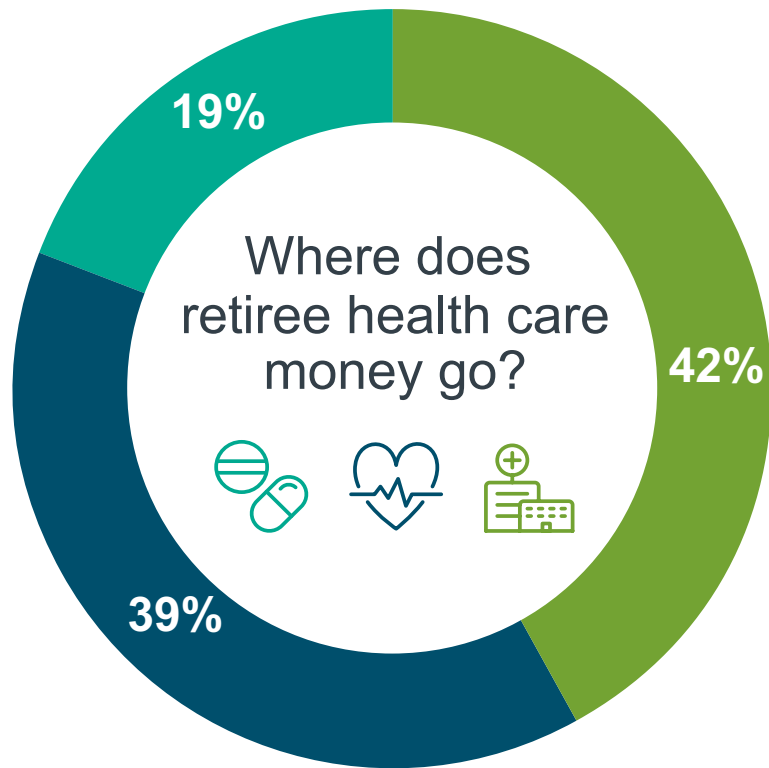


\$285,000

Approximate savings needed
to cover health care expenses

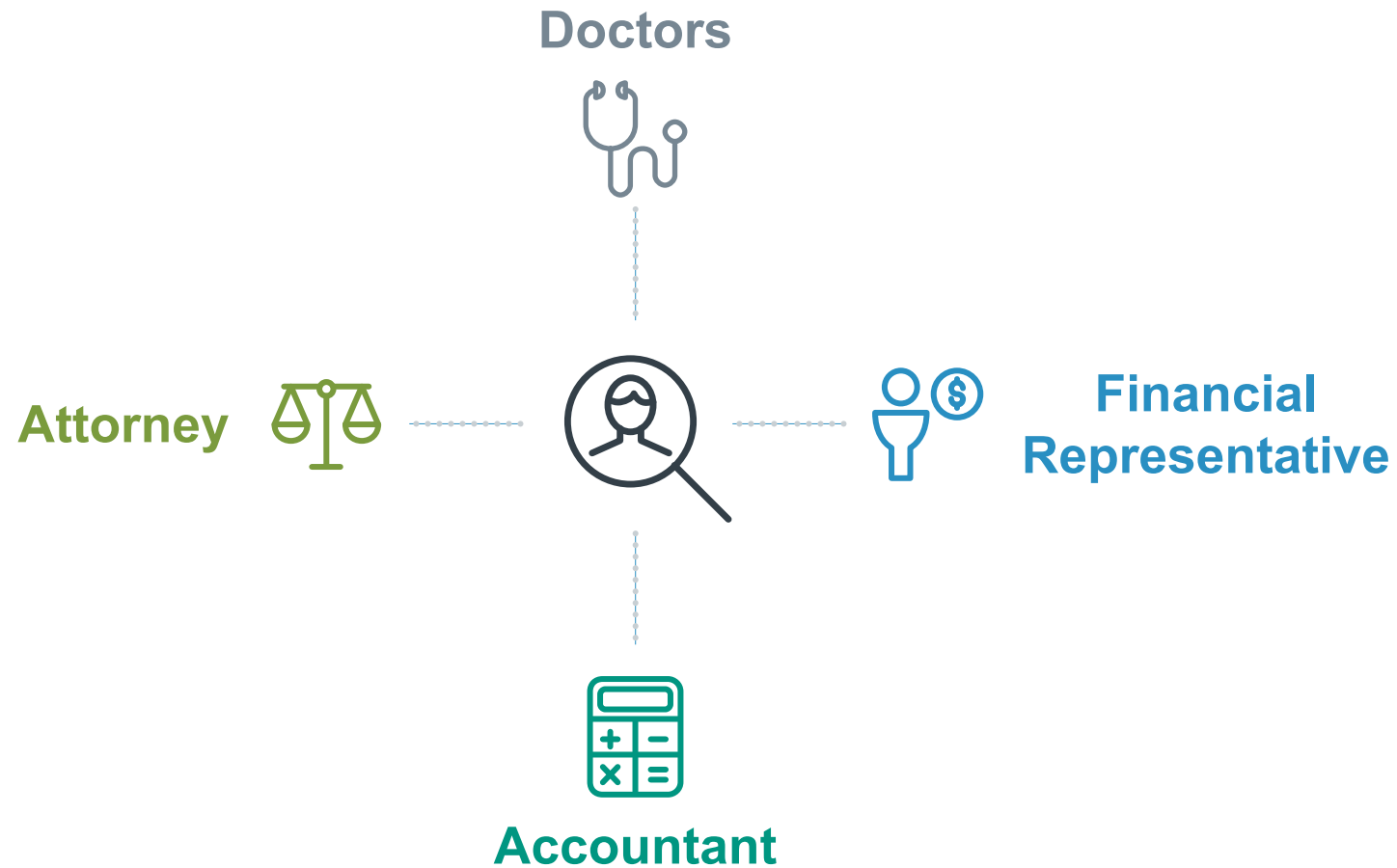
Source: Fidelity Retiree Health Care Cost Estimate, 2019. See research methodology on final slide.

Navigating Medicare



- **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**

Your team of professionals



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KNOW THE COST OF HEALTHY LIVING

What are **your health needs**? • Do you still have health care coverage from an employer? • Is there a **gap to Medicare**? • Can you utilize an HSA? Is long-term care appropriate for you?

THE REALITIES OF HEALTH CARE



Get organized

- Identify your current health benefits
- Know your long-term care options
- Recognize that the perception of health care costs may be different than the reality
- Gather key documents, including health care proxy



Make a plan

- Work with your trusted team to live a healthy lifestyle
- Don't lose sight of your own financial goals

You want to be concerned about the treatment, not the payment.

Aging and Caregiving

CARING FOR A LOVED ONE

Who will be the **financial caregiver**? • What is the potential impact to your income and savings? Will care responsibilities be **shared with other family members**? • Does your loved one have important documents accessible? • What are the **housing options**?

Caring for an aging loved one?

25%



Baby Boomers

25% of baby boomers care for an aging parent,
and 2 out of 3 caregivers are women

As a caregiver, you can provide help in many ways

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.

But self-care is equally important



Accept that
you're human



Set boundaries



Identify your
own needs



Find help

MAKE A PLAN TOGETHER



Get organized

- Encourage your loved ones to complete key documents including a living will, HIPPA authorization, and a health care proxy or durable power of attorney.



Make a plan

- Talk with your family about goals for care, management of household duties, and other needs of aging parents

Legacy

Are you prepared?

88%

believe they've
successfully prepared



only 8%

have completed
key documents

CONVERSATIONS TO HAVE

Is there a **current will**? • Are account beneficiaries current? • Who is **your Personal Representative**? • Does my family know where key documents can be found?

INHERITANCE BASICS



Get organized

- Settling investment accounts, trusts, life insurance, and annuities can be complicated
- Understanding what to expect when transferring different asset types is vital



Make a plan

- Family meetings can facilitate dialogue

The background image is a composite of two scenic views. The top half shows a misty mountain range with a road winding through the valleys. The bottom half shows a clear, sunny day with a paved road curving along a hillside that overlooks a blue body of water, likely the ocean. The road has a white dashed line on the left and a metal guardrail on the right.

Life is a journey

Having trusted support elevates many of life's moments and makes getting through the difficult ones a bit easier.

Give yourself the gift of financial confidence.
Make an appointment with your financial representative today.

Important Information

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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.

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Data are based on the 2017 Consumer Expenditure Survey by the Bureau of Labor Statistics (BLS). From the survey, reported household income and expenditures were aggregated in the four categories. Aggregated spending amounts were then divided by the total reported expenditures to derive the average expenditures for each cohort. The percentages are the results of cohort average expenditures by average total income. Total household income by age segment may vary from year to year, resulting in higher or lower percentages of spending per category.

Slide 23

Fidelity Benefits Consulting estimate; 2019. Estimate based on a hypothetical couple retiring in 2019, 65 years old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates with Mortality Improvements Scale MP-2016. Actual expenses 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 Costs 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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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.

Slide 30

About Fidelity's Life Decisions Research.

Unless otherwise noted, data represents the Fidelity Investments Life Decisions Research online survey of more than 9,000 defined contribution plan participants recordkept by Fidelity and who are employed full time (more than 30 hours per week). The research was completed in October 2016 by Greenwald & Associates, Inc., an independent third-party research firm. Fidelity also worked in collaboration with the Stanford Center on Longevity on the study.



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