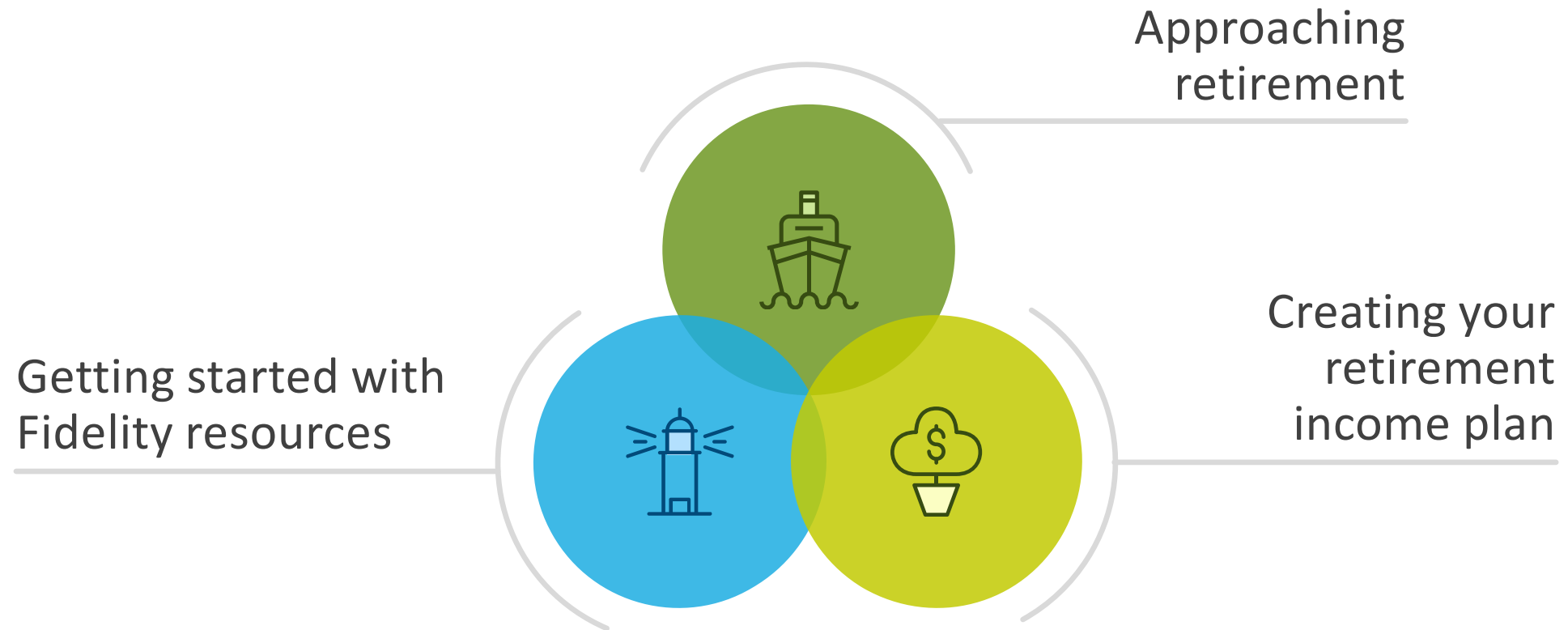




Fundamentals of retirement income planning



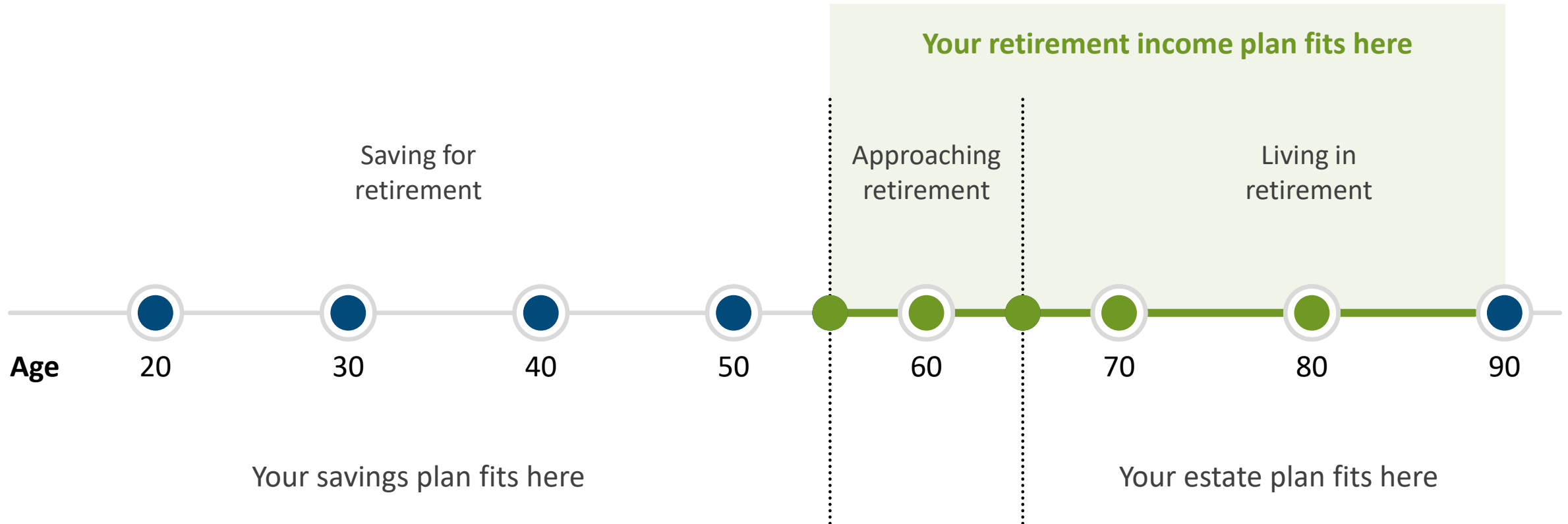


Agenda



Approaching retirement

Where does a retirement income plan fit?



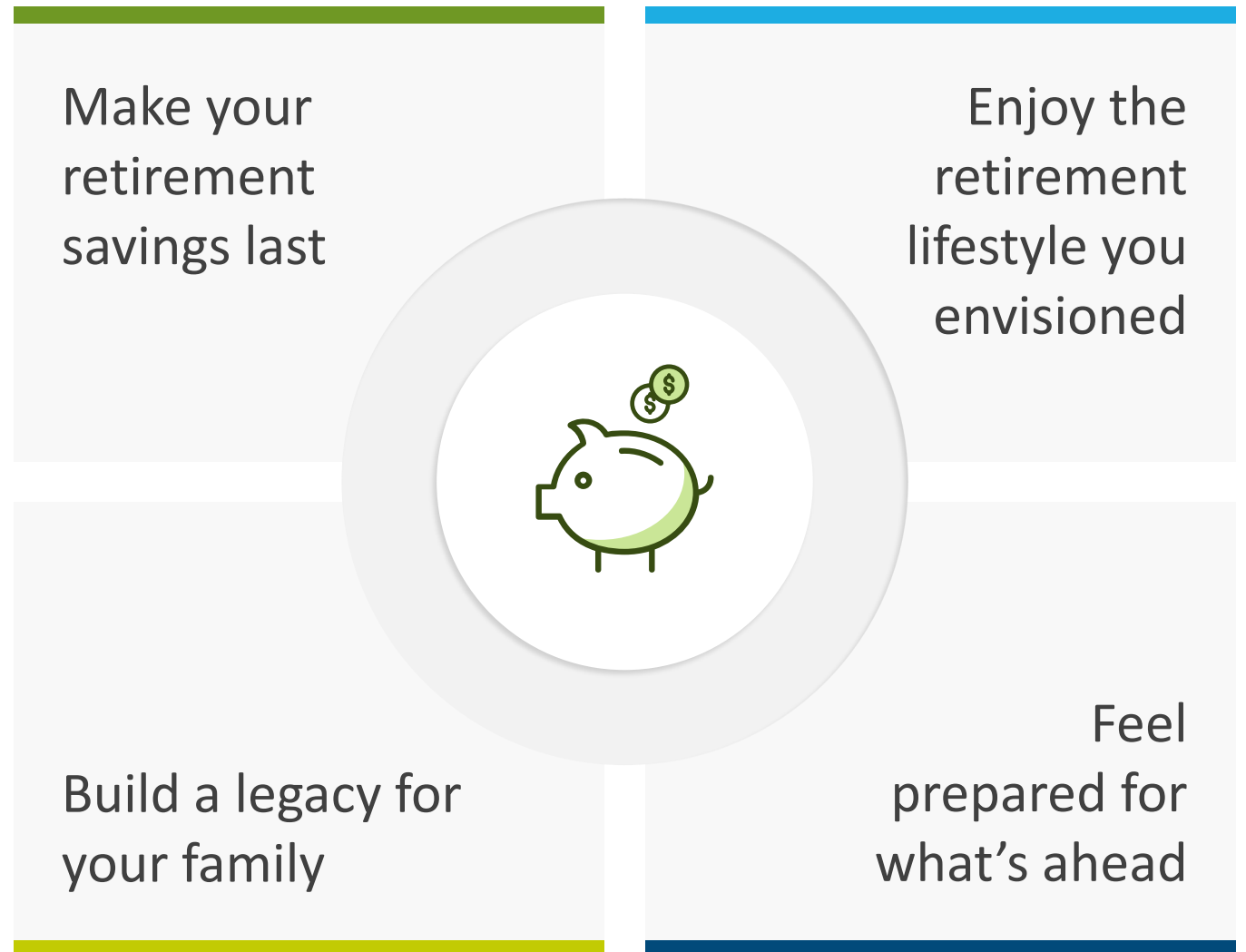
From saving for retirement to living in retirement



What is a retirement income plan?

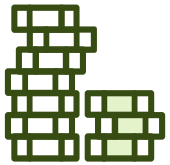
Retirement income plan

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.



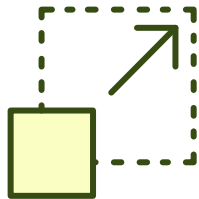
Five key risks

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



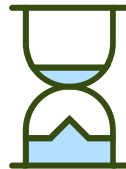
Withdrawals

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



Medical

Taking into consideration rising medical costs



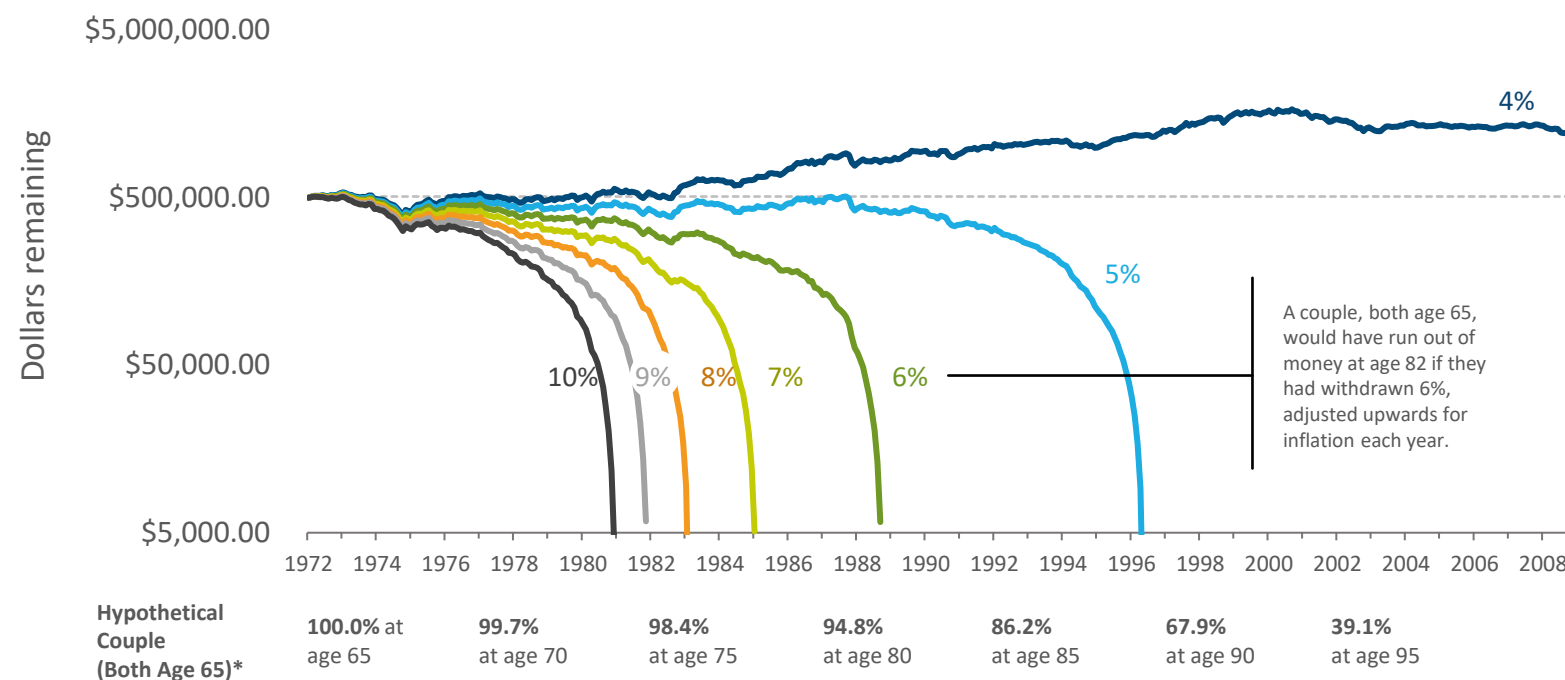
Allocation

Ensuring your plan can weather the changing markets



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

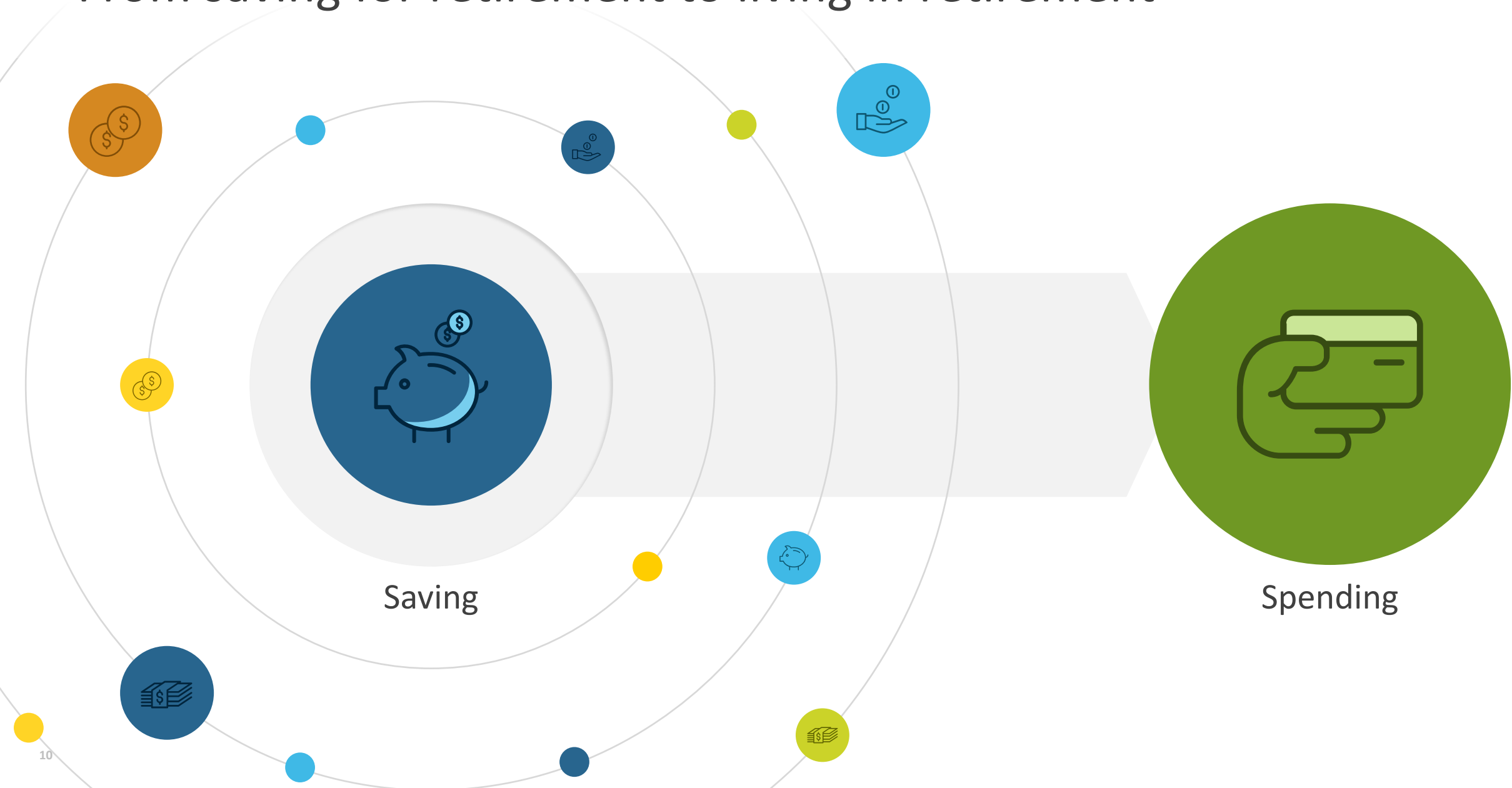


Susan

\$250k
in retirement savings

The change in the RMDs age requirement from 72 to 73 applies only to individuals who turn 73 on or after January 1, 2023. After you reach age 73, the IRS generally requires you to withdraw an RMD annually from your tax-advantaged retirement accounts (excluding Roth IRAs, and Roth accounts in employer retirement plans accounts after December 31, 2023). Please speak with your tax advisor regarding the impact of this change on future RMDs.

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



BU Distribution Options

Option 1: Interest income only, assumes a 2% interest rate, a starting balance of \$500,000 at the beginning of the period and that no taxes, fees or expenses are taken into consideration. The income figure is for year one only. The principal amount is subject to market change, and the interest payment is recalculated each year based on the revised principal amount. Option 2: Systematic withdrawal plan only, assumes \$500,000 initial balance and a 4% annual withdrawal rate with no taxes, fees or expenses taken into consideration. The income figure is for year one only. The principal amount is subject to market change, and the payment increases each year with inflation. Option 3: Systematic withdrawal plan (SWP) coupled with a single life annuity. SWP assumes a \$250,000 initial balance and a 4% withdrawal rate for the first year with no taxes, fees or expenses taken into consideration. The income figure is for year one only. The principal amount is subject to market change, and the payment increases each year with inflation. In addition, a hypothetical annuity for a 67 year old male is purchased with \$250,000 which provides a \$925 monthly payout, which is based on a single life with a cash refund annuity and a CPI-U COLA distributed by Fidelity Insurance Agency, Inc., as of April 15, 2019. For the annuity, rates are subject to change. Payments do not reflect the impact of taxes. Beginning with the first payment anniversary, income payments are adjusted for increases (if any) in the Consumer Price Index for All Urban Consumers (CPI-U). A contract with a CPI-U increase will provide lower initial income payments than an otherwise identical contract without a cost-of-living adjustment. A contract's financial guarantees are solely the responsibility of and are subject to the claims-paying ability of the issuing insurance company.

Your Distribution Options at Retirement

Option: Leave it in the Plans

- You may leave funds in the Boston University Retirement Plan and the Supplemental Retirement and Savings Plan
- You can request a distribution at a later date.
- Under current tax laws, payments must start by the April 1 following the calendar year in which you reach age 73 or retire (whichever is later).

Your Distribution Options at Retirement

Option: Full Payout

- You may elect to receive a lump-sum distribution of the money you have invested in these accounts.
- You are responsible for paying taxes on your distribution.
- Fidelity will automatically withhold 20% for federal taxes and withhold any required state taxes.

Your Distribution Options at Retirement

Option: Partial Withdrawal

- You may elect to receive a partial distribution of the money you have invested in these accounts.
- Scheduled payments are available (annual, quarterly, monthly, or decrement counter)
- You can also request a payment of any dollar amount at anytime.
- Fidelity will automatically withhold 20% for federal taxes and withhold any required state taxes.

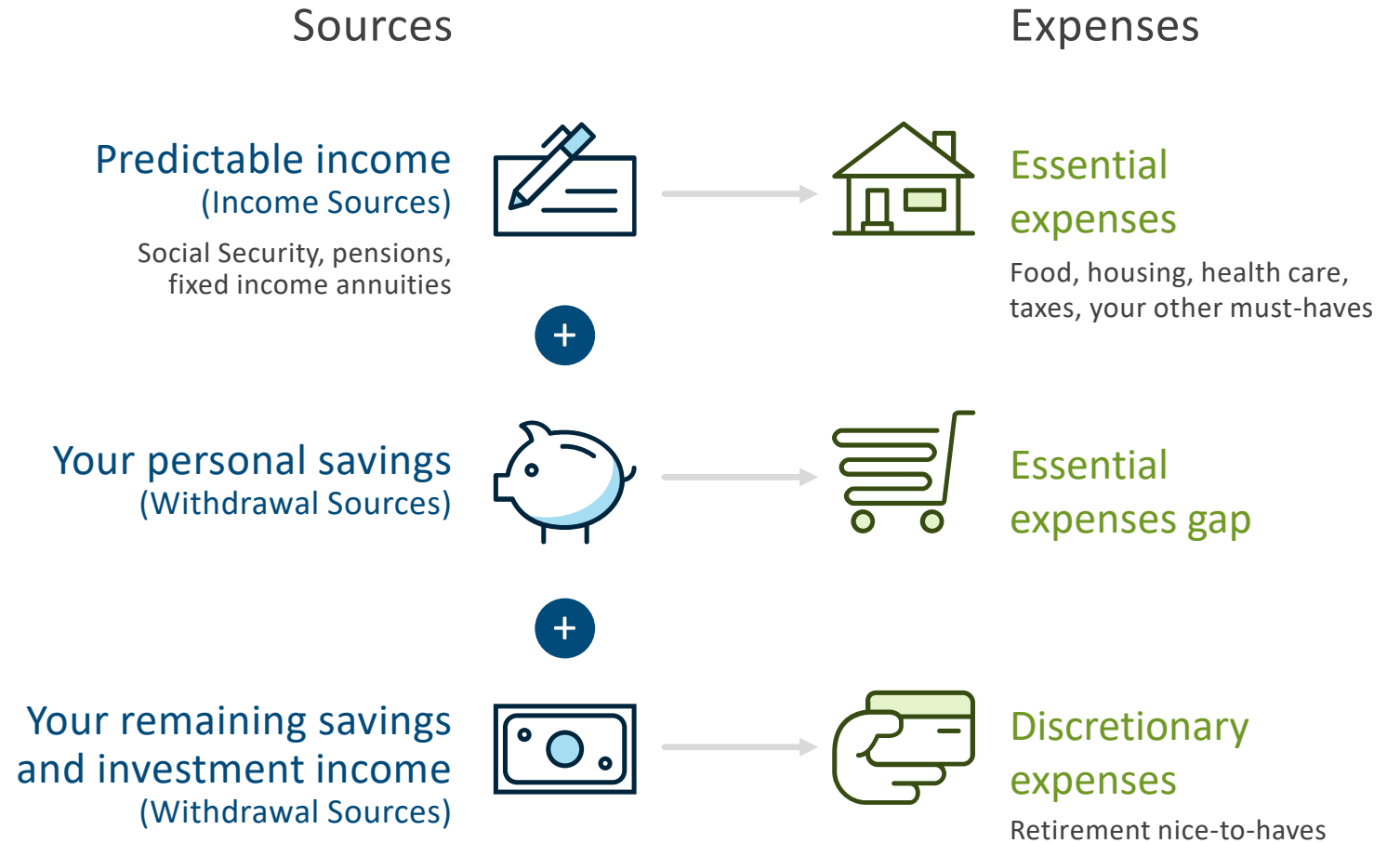
Your Distribution Options at Retirement

Option: Rollover

- You may elect to roll over the full or partial amount to another tax-qualified account.
- There is no tax withholding by Fidelity for a rollover.
- Contact Fidelity and the receiving financial institution to discuss the rollover process.

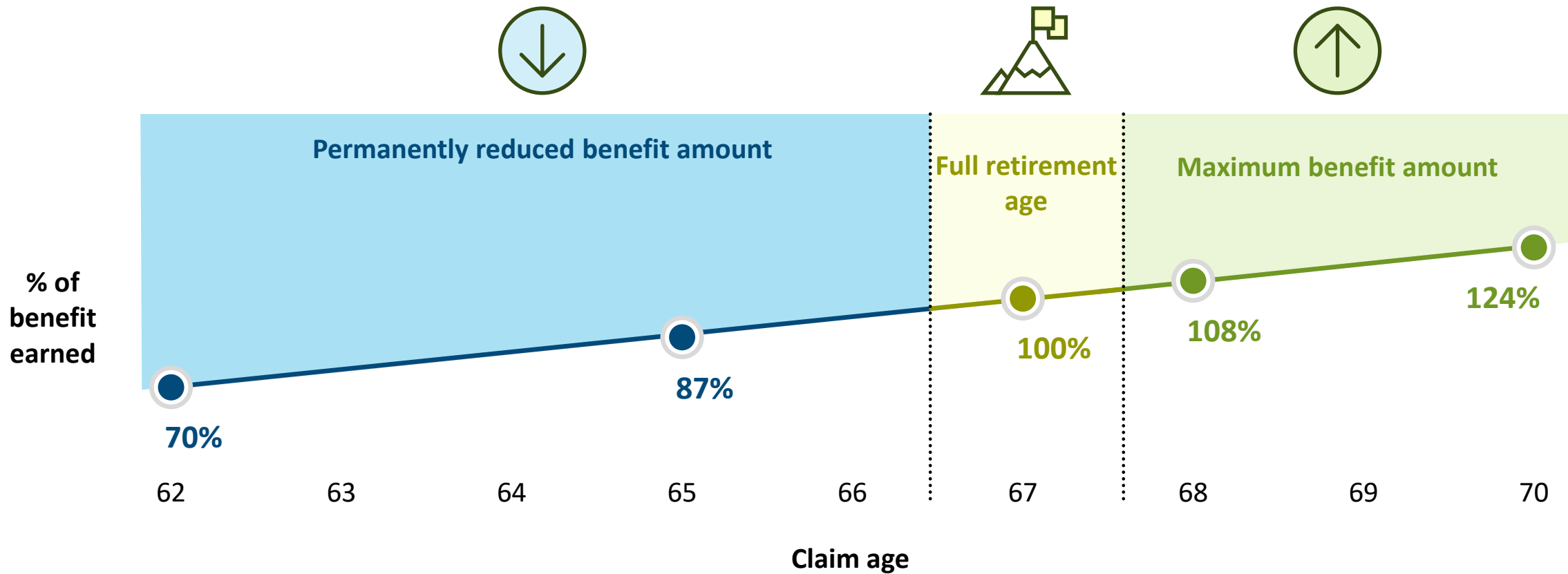
Your retirement income plan

Putting it all together



Social Security

Improve your pay-out by waiting to claim benefits



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

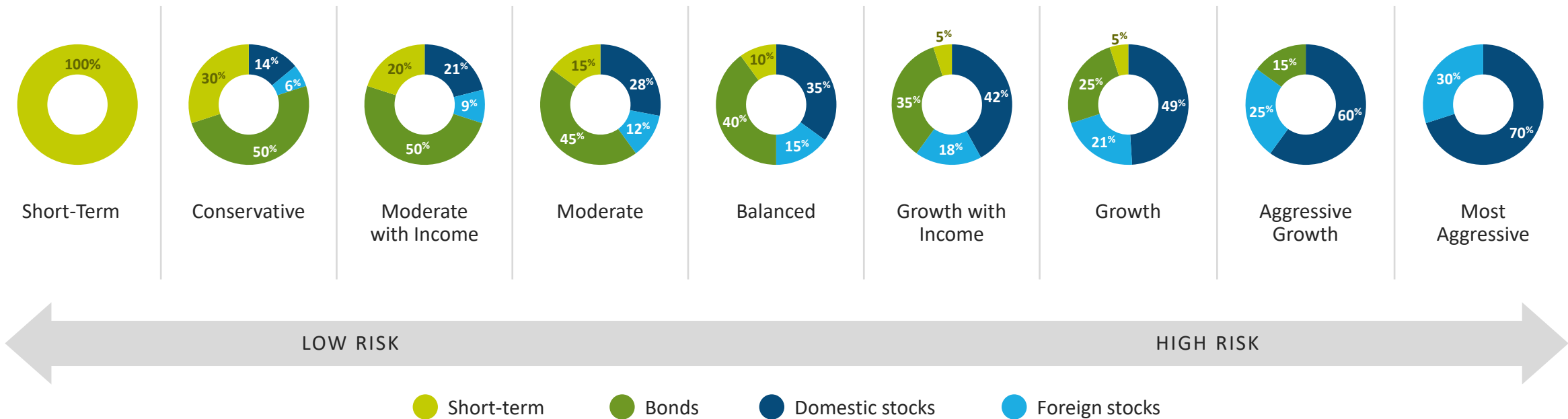
¹ In order to provide an income stream, there is no or limited access to assets.

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

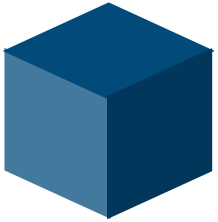
Growth potential

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

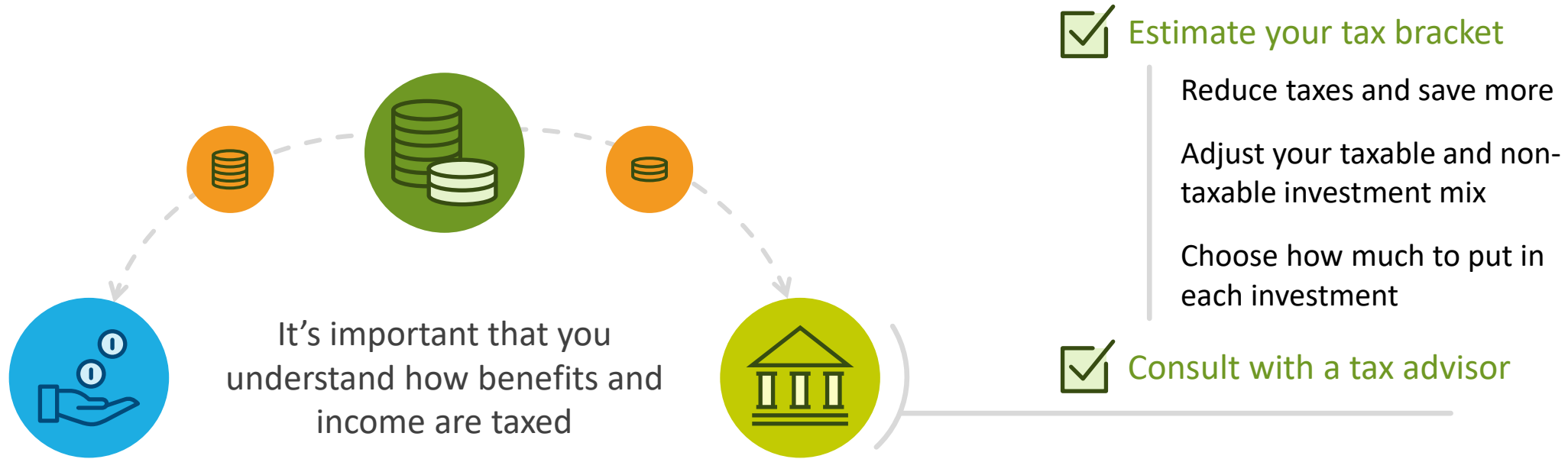


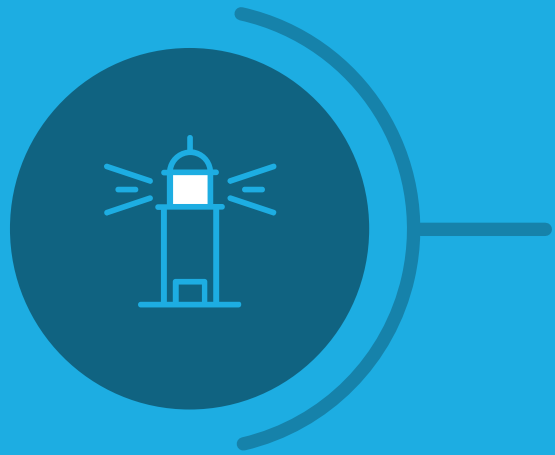
Living off earnings
and interest

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



Managing your tax situation

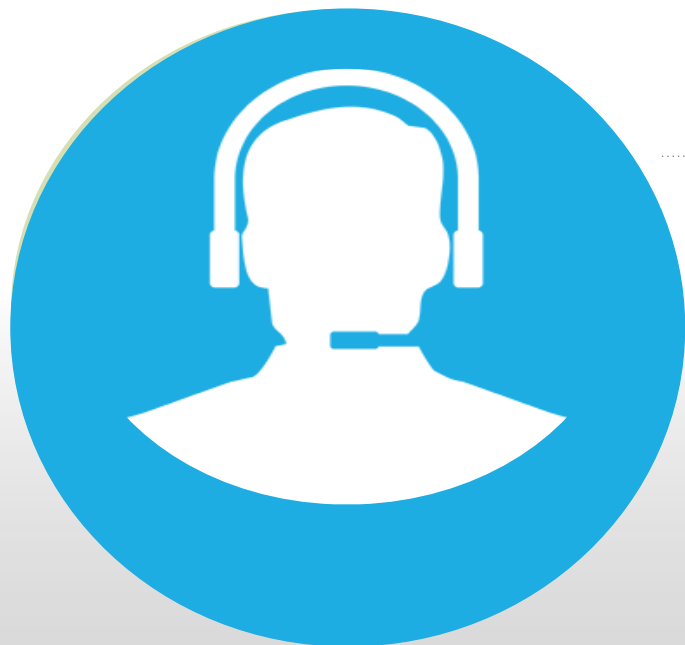




Resources



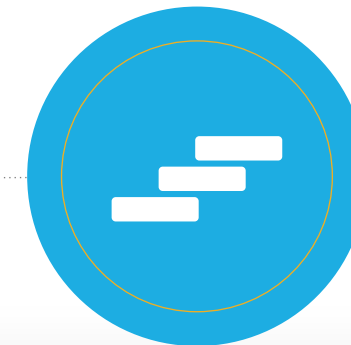
We will work 1-on-1 with you to provide:



**Plan
information**



**Investment
education**



Next steps

**1:1 APPOINTMENTS AVAILABLE WITH YOUR
WORKPLACE FINANCIAL CONSULTANTS:**

DIANA RITTENBERG & MATTHEW GREEKE

To schedule a 1:1 phone or Zoom session, please go online to
www.Fidelity.com/schedule or call 800-642-7131.

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.

Fidelity does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice. Tax laws and regulations are complex and subject to change, which can materially impact investment results. Fidelity cannot guarantee that the information herein is accurate, complete, or timely. Fidelity makes no warranties with regard to such information or results obtained by its use, and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Consult an attorney or tax professional regarding your specific situation.

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

Stocks are represented by the Standard and Poor's 500 Index (S&P 500® Index). The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

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.

Fixed annuities available at Fidelity for purchase outside of a retirement plan are issued by third-party insurance companies, which are not affiliated with any Fidelity Investments company. These products are distributed by Fidelity Insurance Agency, Inc., and, for certain products, by Fidelity Brokerage Services LLC, Member NYSE, SIPC. 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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Fixed annuities available at Fidelity for purchase outside of a retirement plan are issued by third-party insurance companies

Important information

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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