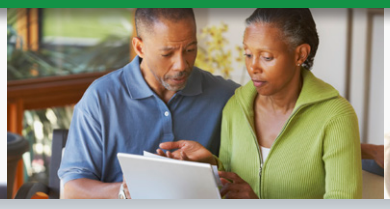
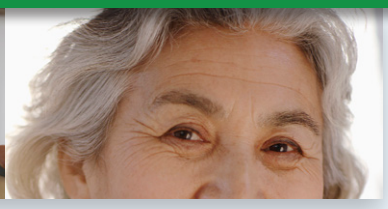
FIVE STEPS TO PLANNING A HEALTHY RETIREMENT





TVA 401(k) Plan

Fidelity INVESTMENTS

Planning for retirement

Having a strategic financial plan is critical to your comfort and happiness in retirement. Why? Because more active retirement lifestyles, increasing life spans, and the impact of inflation mean we all need to manage our money effectively both before and during retirement so we can afford to live comfortably in the future.

This brochure is designed to help make planning for your retirement more manageable. By dividing planning for retirement into five steps, you can take it one step at a time.

Once you've completed all the steps, you will be on your way to a better-defined retirement plan that more closely matches your needs.

Let's get started!

Step 1: Identifying your income sources

No matter what you dream of doing in retirement, you'll need money to do it. Your retirement income will probably come from three main sources: employer-sponsored retirement plans, Social Security, and personal savings.

Employer-sponsored savings and retirement plans

There are two types of employer-sponsored retirement programs you may be participating in now: defined contribution plans like the TVA 401(k) Plan and traditional pension plans.

The tax advantages, employer contributions, and range of investment options make the TVA 401(k) Plan one of the best ways to help build income for your future. Consider contributing as much as you can to the plan.

Once you are ready to turn your TVA 401(k) Plan assets into a stream of retirement income, there are several distribution options to consider. For example, you may leave your money in the plan and take systematic withdrawals. To help you evaluate which option is appropriate for your situation, review your options beginning on page 5 of this brochure.

For details about how to begin receiving your TVA pension benefits, call the TVA Retirement System at **1-800-824-3870.**

Social Security

Social Security provides monthly benefits to retirees. As you work and pay taxes today, you earn credits that count toward eligibility for future Social Security benefits. Most people need to work 10 years to qualify for benefits, or be married to someone who works that long. Your benefit is calculated as a percentage of your earnings averaged over most of your years of work.

Currently, you may begin receiving Social Security retirement benefits as early as age 62. However, if you begin receiving payments before age 65, you will receive a lesser amount, because your benefits will be reduced throughout your retirement. For every year you delay your benefits beyond age 65, you receive a special credit that increases the amount you receive from Social Security. Please note that the current full retirement age is 67.

Personal savings

Personal savings includes investments outside your retirement plan, such as bank savings accounts and CDs or stock portfolios.

Gathering information about your income sources

1. Check the value of your TVA 401(k) Plan account virtually any time by calling **1-800-354-7121,** or visiting **netbenefits.com/tva**. Check the value of retirement assets in any other plans you might have by calling your former employer, if applicable.
2. Consider consolidating any other eligible retirement assets into your TVA 401(k) Plan. For additional information, call a Fidelity Representative at **1-800-354-7121** or log in to NetBenefits® at **www.netbenefits.com/tva**.
3. Request your retirement benefit information by going to the TVA Retirement System SharePoint site. Call the human resources department of any former employers to request any applicable pension benefit estimate.
4. Call the Social Security Administration at 1-800-772-1213 for a personalized estimate of your benefit (called a Personal Earnings and Benefit Estimate Statement, or PEBES), or visit www.ssa.gov to request an estimate online or to download software that lets you do it yourself.
5. Check the growth of your personal savings by taking a look at all your records to determine the value of your personal savings.

Step 2: Estimating your retirement expenses

It can be difficult to pinpoint just how much money you'll need to retire. To be financially ready to retire by age 67, aim to have 10 times[1] (10x) your final salary saved at retirement to maintain your current lifestyle.

Whether this number applies to you depends on your personal situation and plans for retirement. Some of your costs will probably go down or go away entirely when you retire (e.g., commuting costs) but others may increase. (e.g., moving costs, medical premiums, or travel expenses).

Defining how much money you need to retire is a good starting point for designing or redesigning your savings plan. Finding out how much you'll have if you keep saving the way you are now—and how to potentially make up for any savings gap between what you'll need and what you have—is another good idea.

Help from Fidelity online

Rhe Fidelity NetBenefits® Planning & Guidance Center (found through **www.netbenefits.com/tva**) provides planning tools that can help you assess your retirement income needs. Through NetBenefits®, you can use your actual account information and investment holdings to analyze your current savings strategy, and find out how much you may need to save for retirement and how close you are to meeting your goal.

Using online planning tools, you can

- Create "what if" scenarios as you adjust your estimates (your account balance is updated automatically and your information is saved every time you use the planning tool).
- Build your investment knowledge with the educational materials offered throughout Fidelity's online services.
- Act on the summaries and action plans at your own pace.

To connect with Fidelity online

If you haven't already done so, activate your online account at **1-800-354-7121,** then log in to NetBenefits virtually any time through **www.netbenefits.com/tva** to assess your current situation and make changes as needed.

Call a Fidelity Representative at **1-800-354-7121** if you have any questions about your username and password or if you'd like further information about your retirement plan.

Step 3: Bridging the gap

If your figures indicate that your current savings and investment strategy fall short of your goals, don't panic. There are four strategies that may help you fill the gap.

1. Earn a higher return. Earning more on your contributions can help you achieve your retirement income goal without having to save more. Of course, earning a potentially higher rate of return involves the potential for greater investment risk, but if you're investing for the long term, it may be a good idea to consider investing more aggressively.

2. Increase the amount of your contributions. Are you contributing the most you can to your retirement plan? You can contribute up to 100%of your salary or $23,000 on a pre-tax, Roth, or after-tax basis based on IRS dollar limits for the year 2024 (subject to any plan limits).

3. Delay retirement. Even though you may want to retire at age 55, you may find it's not a possibility. By working longer or part time once you retire, you'll have more time to earn additional income and save.

4. Reassess the amount of income you'll need. Maybe you can live on less in retirement. Examine your current spending patterns and how you anticipate spending in retirement to see where you might be able to spend less.

Your next steps to bridging the gap

1. Determine the strategy you will use to make up for any shortfall.
2. Call Fidelity at **1-800-354-7121** for help in readjusting your asset mix.

[1] See endnote on page 16.

Step 4: Learning about your distribution options

One of the most critical decisions you'll make about your retirement concerns your TVA 401(k) Plan. Unlike Social Security and any traditional pension plans you may be eligible for, the amount you receive from your TVA 401(k)
Plan account is under your direct control. The choices you make now about your balance can significantly influence the amount of retirement income produced from your savings.

That's why it's so important to carefully consider all your distribution options before deciding which one is appropriate for your situation. While you are evaluating your options, be sure to consider the following:

Your retirement income needs

Are your expenses likely to increase, decrease, or stay about the same? How much of your income will be provided by Social Security and any pension benefits you may be eligible to receive? How and when do you need to start accessing your TVA 401(k) Plan account? Answers to these questions may help you determine the distribution option that's best for you.

Your retirement time horizon

On average, people are now spending 20 or more years in retirement. You could spend even more if you intend to retire early. You need to plan and invest carefully even after you've retired to help ensure that your money lasts at least that long.

How easy or difficult it will be to access your money

You'll want to make sure the distribution option(s) you choose allows convenient access to your money throughout retirement.

The tax implications of your decision

Taking a cash distribution can subject you to current federal income taxes, as well as to any applicable state and local income taxes. Leaving your savings in your TVA 401(k) Plan or rolling over your savings to an IRA or another plan allows you to defer current income taxes.

The investment options and flexibility offered

Look for distribution options that allow you a range of investment choices and the flexibility to invest appropriately to help meet your personal financial objectives.

Required Minimum Distributions (RMDs)

Once you reach age 73, the IRS requires you to start taking distributions from your 401(k) Plan each year based on your life expectancy and account balance.[2] You'll need to structure your distribution to meet this minimum required distribution to avoid costly tax penalties.

Your options.

In general, you have five options when deciding what to do with your plan balance. You can:

- Leave your money in the TVA 401(k) Plan
- Take systematic withdrawals from the TVA 401(k) Plan
- Transfer your money to a rollover IRA
- Purchase an income annuity outside the TVA 401(k) Plan
- Take a cash distribution

Annuities are long-term investments and may be limited by tax penalties. Surrender charges and income taxes may be due upon withdrawal of funds. Guarantees are subject to the claims-paying ability of the issuing insurance company.

Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.

Fees

It's a good idea to find out if any fees are associated with each distribution option before making your decision. Call a Fidelity Representative at 1-800-354-7121 if you have any questions about any applicable fees.

Avoiding automatic 20% income tax withholding

Most distributions from the pretax portion of your 401(k) Plan are subject to an automatic 20% withholding for the prepayment of federal income taxes. You can avoid prepaying income taxes on your withdrawals so long as your withdrawal is:

- Part of a series of substantially equal periodic payments over the life expectancy(ies) of you, or you and your designated beneficiary
- Part of a series of substantially equal periodic payments over a period of at least 10 years
- A distribution of employee after-tax contributions (in this instance, any earnings you withdraw will be subject to withholding, but any principal will not)
- A distribution that is a required minimum distribution (RMD) if you have attained age 73 and are no longer working

Keep in mind that you'll still owe income taxes on the above payments and you may be subject to a 10% early withdrawal penalty if you are under the age of 59½.[3] Be sure you understand the tax consequence of any distribution before you initiate one. You may want to consult your tax advisor about your situation.

[2] If you set up your payment schedule to satisfy IRS rules for required minimum distributions (RMDs) or if you are taking substantially equal periodic payments to avoid the 10% early withdrawal penalty, any changes to your payment schedule may have severe tax consequences. Always consult a tax advisor before making any changes.

[3] Unless you turn age 55 or older in the year you retire, withdrawals taken prior to age 59½ may be subject to an early withdrawal penalty.

Option 1 Leave your money in the TVA 401(k) Plan

You can continue to enjoy the many advantages of the TVA 401(k) Plan even after you retire simply by leaving your money in the plan until you must begin minimum required distributions at age 73.

Features

- Continued potential for tax-deferred growth
- Access to the same wide array of investment options offered to active employees—including individual securities and an array of mutual funds
- Control over your investment options
- Avoid early withdrawal penalties as long as you leave your money in the plan
- May allow you time to decide what to do with your balance
- The full market value of your 401(k) Plan account (less taxes) can be distributed to your beneficiaries upon your death, according to your beneficiary designation.

Tax considerations

- You won't pay income taxes until you take a distribution

You have access to the same investment options available to you as an active plan participant, and you can make adjustments to your investment mix any time you choose. This means you can continue to tailor your investment options in response to your changing needs and to market conditions. As an added bonus, your 401(k) Plan account balance continues on a tax-deferred basis until withdrawn.

To learn how to leave your savings in the TVA 401(k) Plan, refer to the "Next steps" section in the chart on page 12.

Option 2 Take systematic withdrawals from the TVA 401(k) Plan

A systematic withdrawal plan (SWP) allows you to take the money you have contributed through your plan, and any earnings, in periodic installment payments after you leave employment with TVA. You may also be able to take unscheduled payments as needed.

Features

- Continued potential for tax-deferred growth
- Access to the same wide array of investment options offered to active employees
- Control over your investment options
- Access to savings—you can take additional withdrawals if the need arises[4]
- Way to meet required minimum distributions (RMDs)
- Eligible systematic withdrawals may help you avoid any early withdrawal penalties

Tax considerations

A SWP can begin after you leave TVA employment, regardless of your age. However, consider these tax consequences:

- Income taxes are due on systematic withdrawal payments as you receive them.
- Unless you turn age 55 or older in the year you retire, withdrawals taken prior to age 59½ may be subject to an early withdrawal penalty.

SWP payment options

When you choose a systematic withdrawal plan, you have direct control over your income payments. Your payments can be in an amount or percent you specify, over a specified time frame, or calculated for you based on your life expectancy.

You may receive distributions in monthly, quarterly, semiannual, or annual installments, and you can change or stop your SWP at any time. You can also elect to receive a partial withdrawal of your account balance at any time and still continue to receive your SWP.

If a SWP is taken in substantially equal periodic payments, there may be severe tax consequences on payments already received if you change the amount of the payments within the first five years or before you reach age 59½, whichever is later. Consult your tax advisor on this subject. Once you reach age 73 and are no longer working, the IRS requires you to begin taking minimum required distributions each year. You may continue to take your withdrawals in the form of a SWP; however, the amounts must meet the required minimum each year.

To learn how to start systematic withdrawals from the TVA 401(k) Plan, refer to the "Next steps" section in the chart on page 12.

[4] If you set up your payment schedule to satisfy IRS rules for required minimum distributions (RMDs) or if you are taking substantially equal periodic payments to avoid the 10% early withdrawal penalty, any changes to your payment schedule may have severe tax consequences. Always consult a tax advisor before making any changes.

▶ WHICH SYSTEMATIC WITHDRAWAL METHOD MIGHT BE RIGHT FOR YOU?

There are various ways to structure your systematic withdrawal plan. You choose the method that best suits your needs.

Method	How it works	Tax considerations
Dollar certain	Specific dollar payments are made regularly on a monthly, quarterly, semiannual, or annual basis until your balance is reduced to zero. The number of payments will vary depending on the total market value of your account and the performance of your investment elections.	• May not meet RMD requirements • Does not avoid 10% early withdrawal penalty if made prior to age 59½ unless you turn age 55 or older in the year you retire
Time certain	A specific number of payments are made regularly, the value of which fluctuates based on the total market value of your account, the performance of your investment elections, and the payment frequency you select.	• Meets RMD requirements if period is equal to life expectancy and may meet RMD requirements if period is less than life expectancy[5] • May avoid 10% early withdrawal penalty if made prior to age 59½ and if taken as substantially equal periodic payments • Unless you turn age 55 or older in the year you retire, withdrawals taken prior to age 59½ may be subject to an early withdrawal penalty.
Life expectancy	Regular payments are calculated based on your life expectancy or the life expectancies of you and your designated beneficiary. Each year the monthly benefit will be recalculated so that your account balance is divided by your original life expectancy, minus 12 months. Be aware that your account balance will be zero and payments will cease at the end of your assumed life expectancy, even if you live longer than your assumed life expectancy.	• Meets RMD requirements • Avoids 10% early withdrawal penalty if taken as substantially equal periodic payments • Unless you turn age 55 or older in the year you retire, withdrawals taken prior to age 59½ may be subject to an early withdrawal penalty.
Fixed Percent	Variable payments are calculated based on a fixed percent of your current account value at the time of payment. Because payments are a fixed percent of account value, they will vary over time and decrease as account value decreases.	• Meets RMD requirements if period is equal to life expectancy and may meet RMD requirements if period is less than life expectancy[5] • May avoid 10% early withdrawal penalty if made prior to age 59½ and if taken as substantially equal periodic payments • Unless you turn age 55 or older in the year you retire, withdrawals taken prior to age 59½ may be subject to an early withdrawal penalty.

Not sure which method is right for you?
Log in to your account at NetBenefits.com/TVA and review your automatic withdrawal options. Fidelity's user-friendly platform helps you evaluate and compare different withdrawal strategies so you can select the option that best suits your needs.

This tool can help you answer key questions you may be asking: How much might I receive? For how long? What may be left at the end of my target planning period?

Simply by inputting data such as planning age, number of payments you would like in a calendar year, and expectations of future market conditions (below average, average, above average), you can visualize the long-term implications of certain withdrawal strategies so you can make a thorough evaluation and choose the one that is best for your specific needs and circumstances.

[5]If you set up your payment schedule to satisfy IRS rules for required minimum distributions (RMDs) or if you are taking substantially equal periodic payments to avoid the 10% early withdrawal penalty, any changes to your payment schedule may have severe tax consequences. Always consult a tax advisor before making any changes.

Option 3 Transfer your money to a rollover IRA

Another way to maintain the tax-deferred status of your account after retirement from TVA is by making a direct rollover of your eligible assets to a rollover IRA.

Features

- Broad range of investment options
- Access to your savings
- Control over your investment mix

Other considerations

- Any investment-related expenses and account fees
- Available level of current plan services
- IRAs are protected under federal bankruptcy law; state law creditor protection of IRAs varies. Consult your legal advisor for more detailed information.

Tax considerations

- Assets have potential to continue to grow tax deferred
- Income taxes are due on withdrawals only as you take them
- Can establish systematic withdrawals to meet RMD requirements
- Distributions from your employer plan or IRA will be taxed as ordinary income in the year of distribution. If you are under age 59½, the taxable portion of a distribution from an employer plan or IRA is subject to a 10% early withdrawal penalty unless you qualify for an exception.

This strategy also offers the dual benefits of investment flexibility and easy access to your money. It also lets you establish a schedule of systematic withdrawals.

To learn how to establish a rollover IRA, refer to the "Next steps" section in the chart on page 12.

Option 4 Purchase an income annuity outside the TVA 401(k) Plan

Income annuities are contracts with an insurance company that offer guaranteed[6] income for life or a set period of time. They may allow you to be more aggressive with other investments in your portfolio, since they provide a lifetime income stream. Keep in mind that you may have limited or no access to the assets you use to purchase income annuities. There are several types of annuities to choose from, including:

Immediate fixed income annuities

Offering immediate, guaranteed, and predictable payments for life or a period of time you choose, immediate income annuities are not affected by market volatility, helping shield your retirement income from market risk. An optional cost-of-living adjustment (COLA) is available at an additional cost to help your income keep pace with inflation.

Deferred income annuities[7]

Similar to immediate income annuities but with income payments starting on a date in the future that you select, deferred income annuities may provide a higher income payment with the same initial investment because of the deferral period. An optional cost-of-living adjustment (COLA) is also available at an additional cost to help your income keep pace with inflation.

Keep in mind that in exchange for guaranteed income from these annuities, you may have limited or no access to the assets you use to purchase them.

Features

- Guaranteed[6] lifetime income
- Automatically meets IRS required minimum distributions beginning at age 73

Tax considerations

- You won't pay income taxes on the money at the time you purchase your annuity
- Income taxes are due on payments as you receive them
- Payments are not subject to mandatory 20% withholding[8]
- Payments from qualified income annuities may avoid 10% early withdrawal penalty if under age 59½[9]

[6]**Guarantees are subject to the claims-paying ability of the issuing insurance company.**

[7]**Deferred Income Annuity contracts are irrevocable, have no cash surrender value, and no withdrawals are permitted prior to the income start date.**

[8]Withdrawals of taxable amounts from an annuity are subject to ordinary income tax, and, if taken before age 59½, may be subject to a 10% IRS penalty.

[9]In certain limited circumstances, the 10% penalty usually imposed on withdrawals taken prior to age 59½ may not apply.

Option 5 Take a cash distribution

When you leave employment with TVA, you may withdraw all your savings in one lump sum or take a partial cash distribution. While a cash distribution provides immediate access to your assets, it can have costly tax consequences because you may be subject to federal, state, and local income taxes, as well as to an early withdrawal penalty at the time of distribution.

Features

- Provides immediate access to cash remaining after taxes and penalties

Tax considerations

- Income taxes due on amount distributed 20% automatic withholding[10] (but actual taxes owed may be higher or lower)
- May be subject to 10% early withdrawal penalty
- No opportunity for ongoing tax-deferred growth

Why a cash distribution may not generate as much money as you expected

Here's why taking a cash distribution may leave you with less money than you expect:

You'll owe federal income taxes

Depending on your tax bracket at the time of distribution, a portion of your account may go toward paying federal income taxes. Tax law requires that 20% of your taxable distribution be automatically withheld as prepayment of federal income tax—but what you owe may actually be more or less than that. (After-tax contributions, RMDs, and distributions of substantially equal payments are not subject to this mandatory withholding.)

You may also owe state and local income taxes

Depending on where you live, your distribution could also be subject to state and local income taxes.

[10]Please note that if you were born before 1936, you may be eligible for special 10-year averaging on your lump-sum distribution. Please call Fidelity or check with your tax advisor for more information.

You may also be subject to an early withdrawal penalty

You could owe a 10% early withdrawal penalty unless you take a distribution a) after age 59½, b) after separation from service in the year you turn age 55 or older, or c) as part of a series of substantially equal periodic payments (at least annually) made over your life expectancy or over the joint life expectancies of you and your designated beneficiary. For other exceptions to the early withdrawal penalty, please consult your tax advisor.

Carefully consider the effect a cash distribution could have on your nest egg. If you need cash right away, you might prefer to leave your money in the plan and take systematic withdrawals from your account instead. That way, you would still have access to your money, but the portion of your nest egg that remains in your account could continue to grow tax deferred—making a significant difference in the amount of money you may have available in the long run.

To learn how to take a cash distribution from the plan, refer to the "Next steps" section in the chart on page 12.

HOW TAXES COULD AFFECT YOUR DISTRIBUTION

Use this worksheet to determine how much of your distribution you could lose to taxes and the early withdrawal penalty (if applicable).

	Hypothetical example	Your calculation
1. Eligible retirement plan distribution	$100,000	_____
2. Federal income tax[11] (multiply line 1 by your federal income tax bracket)	($ 22,000)	_____
3. 10% early withdrawal penalty (if younger than age 59½ or under age 55 in the year when separated from service) (multiply line 1 by 10%)	($ 10,000)	_____
4. State and local taxes[12] (multiply line 1 by your state and local income tax bracket)	($ 5,000)	_____
Amount left to spend or reinvest As you can see, you can preserve more of your retirement assets if you don't take a distribution in cash but keep your savings invested to maintain their tax-deferred status.	**$ 63,000**	

[11]Example assumes a hypothetical 22% federal tax bracket for 2024.
[12]Example assumes a 5% state and local income tax bracket.

COMPARING ALL YOUR OPTIONS

Distribution option	Features	The pros	The cons	Next steps
Leave your money in the TVA 401(k) Plan	Potential to keep your money growing tax deferred in the plan until you need it	• Money has the potential to continue growing tax deferred • Access to the same wide array of investment options offered to active employees • Avoid early withdrawal penalties • Can begin taking systematic withdrawals from your account at any time	• Limits you to your 401(k) Plan's investment options • Distributions from your employer plan or IRA will be taxed as ordinary income in the year of distribution. If you are under age 59½, the taxable portion of a distribution from an employer plan or IRA is subject to a 10% early withdrawal penalty unless you qualify for an exception.	• No action needed for this election • Consider all applicable fees and expenses
Take systematic withdrawals from the TVA 401(k) Plan	Receive your savings at regularly scheduled intervals	• Portion remaining still tax deferred • Provides regular income • Flexible payment options • Control over your investment mix • Access to your savings • May meet required minimum distribution (RMD) • May avoid early withdrawal penalty • Can still take unscheduled withdrawal	• Ends tax-deferred status of assets upon receipt of payments • 10% early withdrawal penalty may apply[13]	• Call Fidelity Investments at 1-800-354-7121 to set up your systematic withdrawal plan • Consider all applicable fees and expenses
Transfer your money to a rollover IRA	Make a direct rollover of your eligible assets to an IRA	• Maintains tax-deferred status • Offers extensive investment flexibility • Provides easy access to your retirement savings • Avoids current taxes and 10% early withdrawal penalty • IRAs are protected under federal bankruptcy law; state law creditor protection of IRAs varies. Consult your legal advisor for more detailed information.	• Terminates relationship with TVA 401(k) Plan • Distributions from your employer plan or IRA will be taxed as ordinary income in the year of distribution. If you are under age 59½, the taxable portion of a distribution from an employer plan or IRA is subject to a 10% early withdrawal penalty unless you qualify for an exception.	• Call Fidelity Investments at 1-800-354-7121 to request a direct rollover • Consider any investment-related expenses and account fees • Consider available level of current plan services
Purchase an income annuity outside the TVA 401(k) Plan	Purchase a contract that offers guaranteed[14] income for life or a set period of time	• Automatically meets minimum required distribution as required by the IRS at age 73 • You won't pay income taxes on the money used to purchase your annuity • Payments are not subject to mandatory 20% withholding • Payments from qualified income annuities may avoid 10% early withdrawal penalty if under age 59½	• Limited or no access to the assets used to purchase income annuities	• Call Fidelity Investments at 1-800-354-7121 for further information • Consider all applicable fees and expenses
Take a cash distribution	Withdraw all your savings in one lump sum or take a partial cash distribution	• Provides immediate access to cash remaining after taxes and penalties (if applicable)	• Subjects you to 20% federal withholding and possibly to state and local income tax • 10% early withdrawal penalty may apply • Ends tax-deferred status of savings	• Call Fidelity Investments at 1-800-354-7121 to request a cash distribution • Consider all applicable fees and expenses

For more information about selecting a distribution option or combination of options that is most appropriate for your financial situation, call a Fidelity Representative at 1-800-354-7121, Monday through Friday, from 8 a.m. to midnight Eastern time.

[13]If you set up your payment schedule to satisfy IRS rules for a required minimum distribution (RMD) or if you are taking substantially equal periodic payments to avoid the 10% early withdrawal penalty, any changes to your payment schedule may have severe tax consequences. Always consult a tax advisor before making any changes.

[14]**Guarantees are subject to the claims-paying ability of the issuing insurance company.**

Step 5: Keeping more of what you've earned

After you've worked hard to acquire assets, you'll want to protect them and possibly pass them on to others someday. That's why everyone needs an estate plan—even individuals without children or a lot of property.

Without proper planning today, the assets you've worked so hard to create might go to paying taxes. With federal estate tax rates as high as 50%, more than half of what you worked for during your lifetime could be consumed by taxes after your death.

A will is an important part of an estate plan that dictates some very important things, including:

- Naming the beneficiaries of your estate
- Designating how and when they will receive your assets
- Selecting the guardians who will care for your minor children

If you don't have a will, many decisions about the distribution of your assets, the management of your estate, and the care of minor children will be determined by the laws of your state. Whatever the size of your estate, a will is an extremely valuable component of your estate plan.

Dying without a will (or in legal terms, dying intestate) may pose a bigger problem than just a simple loss of control. It may mean that your estate has to go through an administrative process that may be slow, expensive, and subject to some significant tax and legal ramifications.

The best way to ensure that your estate is settled according to your wishes and to avoid excessive taxation is to hire an expert who specializes in estate planning and wills. Please note that even with a will, the probate process may be slow and extremely expensive.

Planning ahead

1. Think about who will be the beneficiary of your estate, who you want to execute your will, and what you want to leave behind.
2. Tally your assets to determine the total value of your estate.
3. Create your will.

Follow the five steps to planning a healthier retirement

We hope this booklet has given you a clearer picture of how to plan for retirement. Remember the steps that can help you achieve a more focused and tailored financial retirement strategy:

- Identifying your income sources
- Estimating your retirement expenses
- Bridging the gap
- Learning about your distribution options
- Keeping more of what you've earned

If you would like more in-depth assistance, Fidelity's dedicated Workplace Financial Consultants are available to meet with you. A one-on-one consultation provides the help you may need to maximize your retirement savings and plan for other goals. Fidelity's Workplace Financial Consultants are financial professionals, and they can meet with you at your convenience—at work, at another location, or over the phone. There is no fee for this added benefit.

Call: **800.642.7131**
Click: **fidelity.com/schedule**

Fidelity has developed a series of salary multipliers in order to provide participants with one measure of how their current retirement savings might be compared to potential income needs in retirement. The salary multiplier suggested is based solely on your current age. In developing the series of salary multipliers corresponding to age, Fidelity assumed age-based asset allocations consistent with the equity glide path of a typical target date retirement fund, a 15% savings rate, a 1.5% constant real wage growth, a retirement age of 67, and a planning age through 93. The replacement annual income target is defined as 45% of pre-retirement annual income and assumes no pension income. This target is based on Consumer Expenditure Survey 2011 (BLS), Statistics of Income 2011 Tax Stat, IRS 2014 tax brackets, and Social Security Benefit Calculators. Fidelity developed the salary multipliers through multiple market simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success.

These simulations take into account the volatility that a typical target date asset allocation might experience under different market conditions. Volatility of the stocks, bonds, and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks (domestic and foreign) are represented by Ibbotson Associates SBBI S&P 500 Total Return Index, bonds are represented by Ibbotson Associates SBBI U.S. Intermediate Term Government Bonds Total Return Index, and short-term are represented by Ibbotson Associates SBBI 30-day U.S. Treasury Bills Total Return Index, respectively. It is not possible to invest directly in an index. All indices include reinvestment of dividends and interest income. All calculations are purely hypothetical and a suggested salary multiplier is not a guarantee of future results; it does not reflect the return of any particular investment or take into consideration the composition of a participant's particular account. The salary multiplier is intended only to be one source of information that may help you assess your retirement income needs. Remember, past performance is no guarantee of future results. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in these hypothetical calculations. Returns also will generally be reduced by taxes.

Investing involves risk, including risk of loss.

The change in the RMDs age requirement from 72 to 73 applies only to individuals who turn 72 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 plan accounts starting in 2024). Please speak with your tax advisor regarding the impact of this change on future RMDs.

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

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