
Fidelity to help participants move to income stage

By Editor Test Thu, Feb 3, 2011

Among other things, the Fidelity Income Strategy Evaluator illustrates the trade-offs of a variety of income-generating portfolios, which may include stocks, bonds, cash and/or annuities.

To help near-retirement plan participants through the transition from accumulation to income, Fidelity Investments has introduced a new program, mediated by the web and with phone support, called Fidelity Income Strategy Evaluator.

The new program, which Fidelity is rolling out with 200 free, live educational events and seminars at Fidelity branches, worksites and on the Web, was unveiled only two days after Financial Engines announced its Income+ retirement income guidance program (see today's RIJ cover story) and less than a week before GuidedChoice conducts a webcast on the launch of the second generation of its GuidedSpending program (see news story below).

Fidelity Income Strategy Evaluator is designed to help investors nearing or early in retirement assess their income needs and structure a portfolio and withdrawal strategy to help ensure their specific sources of retirement income and expenses are aligned throughout retirement.

Participants input estimates of their anticipated income and expenses in retirement, along with information about accounts held outside Fidelity and their current pre-tax income amount and state of tax residence.

The tool takes this information and provides an estimation of monthly income, a suggested "Target Income Mix" (i.e., a combination of investments designed to generate income), an idea of how the client's portfolio may perform during market ups and downs, a printable report that can be referenced during conversations with Fidelity phone reps about turning savings into income.

With "Target Income Mix," Fidelity illustrates the trade-offs of a variety of investment combinations, which may include stocks, bonds, cash and/or annuities, and lets the participant choose.

For solutions, the Evaluator suggests Fidelity and non-Fidelity income and investment products. It helps answer questions like, "How do I turn my savings into a "paycheck" I can receive in retirement?" "How can I maximize my retirement income?" "How can I ensure that my money will last?" and "What's the potential impact of taxes, inflation and rising health care costs on my savings?"

In addition to the Fidelity Income Strategy Evaluator, and the 200 educational events being hosted across the country and over the Web for the public and Fidelity's workplace plan participants in February, Fidelity's income planning program also includes the following components, all free of charge for both Fidelity customers and non customers:

- **The Fidelity Guide to Retirement Income Investing** (www.fidelity.com/incomeguide) : new online material that includes 13 different interactive modules to help investors learn more about key

considerations associated with creating a retirement income plan and selecting an income strategy.

- **One-on-one consultations with Fidelity investment professionals.**
- **A new series of Retirement Income Viewpoints:** educational articles with content focusing on three key components related to the income planning process, entitled “Taking On Retirement’s New Normal,” “Smart Strategies for Retirement Income” and “How to Efficiently Turn Savings into Income.”
- **Workplace-focused educational resources:** Over 25,000 workplace retirement plans where Fidelity is the recordkeeper have adopted the Income Strategy Evaluator. They represent over 10 million participants. Employers have also received a white paper, “Retirement Income Guidance Strategies: Helping Employees Move from Savings to Spending,” and other educational literature.

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