



Deferred Income Annuities

Creating a future income stream that's guaranteed for life.



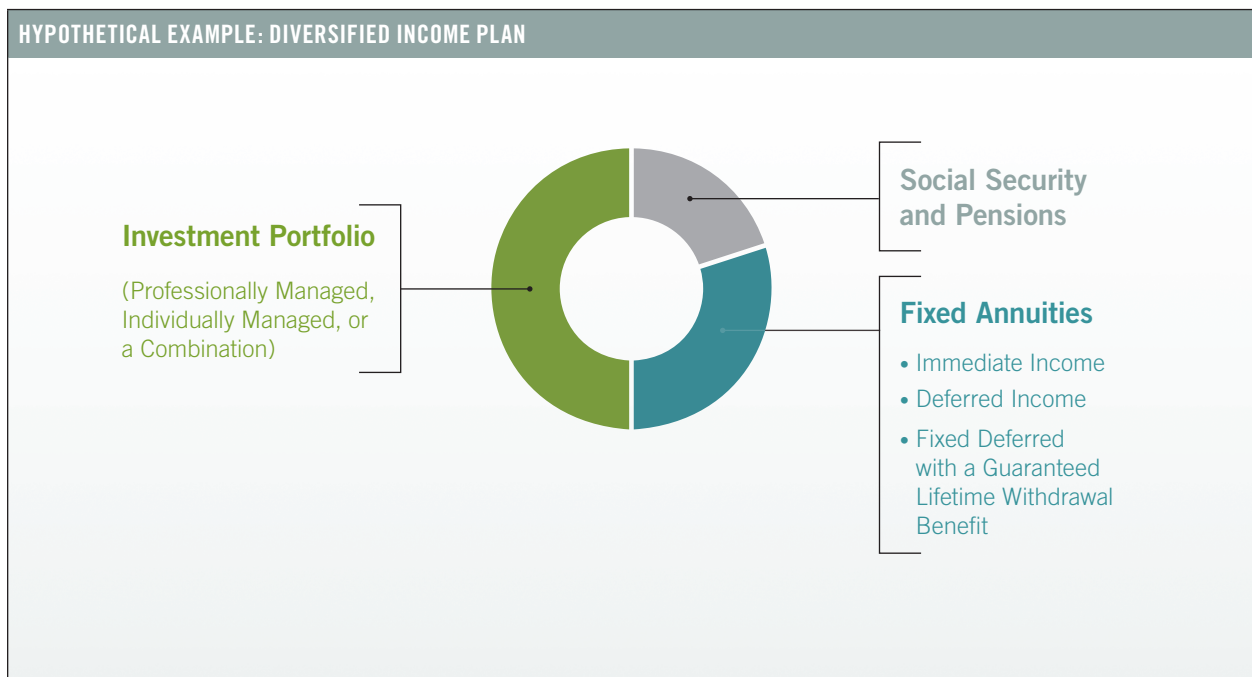
Fixed annuities available at Fidelity are issued by third-party insurance companies, which are not affiliated with any Fidelity Investments company. These products are distributed by Fidelity Insurance Agency, Inc., and, for certain products, Fidelity Brokerage Services, Member NYSE, SIPC. A contract's financial guarantees are solely the responsibility of and are subject to the claims-paying ability of the issuing insurance company.

The Challenge:

How do you fund your lifestyle in retirement?

Traditionally, retirees have relied on pension plans and Social Security for retirement income. Today, however, you may need to be increasingly responsible for creating retirement income from your own personal savings.

It's important that investors consider a plan that uses multiple sources of income, to help fund his or her personal version of retirement. Complementary income sources can work together to help reduce the effects of some important key risks, such as inflation, longevity, and market volatility.



This is a sample hypothetical diversified income plan. The products and allocations appropriate for any given individual will vary.



- What are some of the strategies you're considering to generate cash flow in retirement?
- What sources are you relying on for guaranteed income in retirement?

One Solution:

Guaranteed income from Deferred Income Annuities

As part of a diversified income plan, deferred income annuities can provide you, or you and your spouse, with guaranteed income for the rest of your life or a set period of time, starting at a future date that you select. They offer:

Lifetime Income

Avoid outliving your assets by ensuring that you will receive a guaranteed stream of income for life, beginning on a date in the future that you choose, generally 13 months to 40 years from your time of purchase. Keep in mind that deferred income annuity contracts are irrevocable, have no cash surrender value, and no withdrawals are permitted prior to the income start date.

Personalization

When you invest in a deferred income annuity, you may choose to receive guaranteed income for a set period of time or for your lifetime (or for the lives of you and another person for joint accounts). In addition, you have the choice to purchase optional features to include protection for your beneficiaries or add an annual payment increase feature¹ to help your payment keep pace with inflation.

A deferred income annuity is also eligible to be a Qualified Longevity Annuity Contract (QLAC), which allows you to take a portion of your pretax assets² and start the lifetime income after your applicable required minimum distribution (RMD) age up until age 85. Planning for income for the later years of retirement may help you address expenses that tend to rise with age, such as health care costs.

It is important to understand that the IRS has limits on how much money can be invested in QLACs, and you are ultimately responsible for ensuring that you meet applicable rules and limitations. And like RMDs, there are substantial penalties for failing to follow the limits outlined below.

The premium amount is subject to two limitations:

1. Total sum of QLAC premiums cannot exceed \$135,000³ regardless of funding source; and
2. QLAC premiums from a given funding source cannot exceed 25% of that funding source's value.

Stability

Having confidence in receiving predictable income payments may be just as important to pre-retirees as it is to retirees. Deferred income annuities provide you with the security of steady payments, regardless of market fluctuations and downturns, starting at a future date that you select.

Simplicity

Deferred income annuities available through The Fidelity Insurance Network[®] are easy to understand and incorporate into your diversified income plan.

Guarantees are subject to the claims-paying ability of the issuing insurance company.

¹After payments begin, provides an increase in the amount of income paid each year to help offset the impact of inflation on your income amount. A contract with an annual payment increase will provide lower initial income payments than an otherwise identical contract without an annual payment increase.

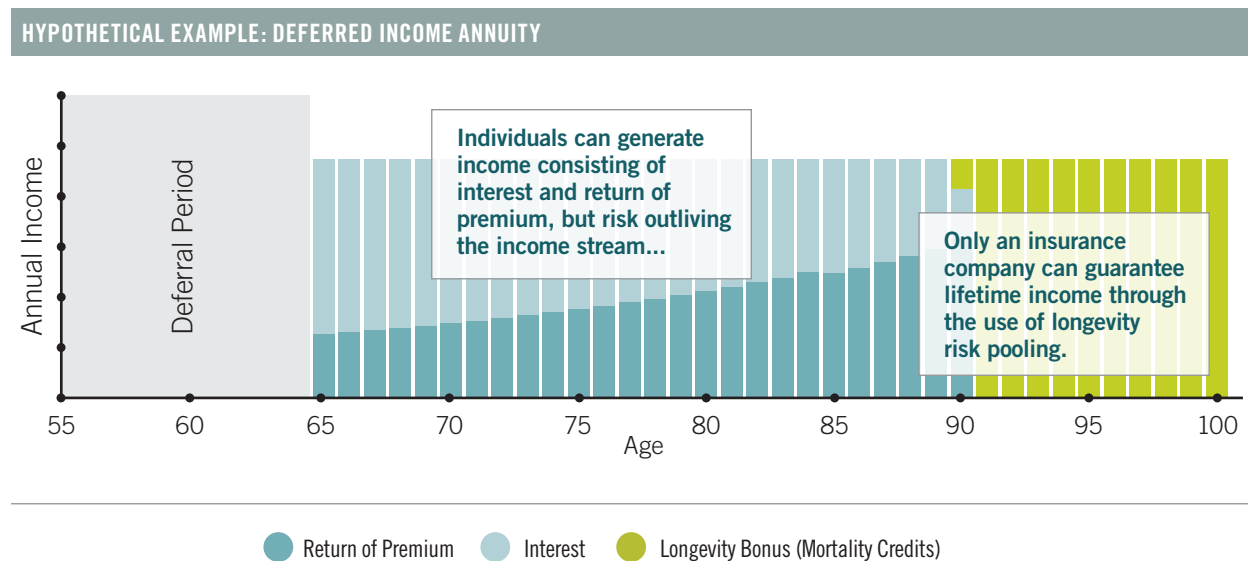
²Pretax assets include traditional, SEP, and SIMPLE IRAs. QLACs cannot be purchased with Roth or Inherited IRA dollars; the value of such IRAs cannot be included when determining premium amounts. QLACs are subject to premium limitations when purchased.

³The premium limitation is as of January 2020. If the funding source is a traditional IRA, your 25% limit is calculated by combining the total value of all traditional IRAs as of December 31 of the previous year. If the funding source is an employer-sponsored qualified plan [401(k), 403(b), or governmental 457(b)], your 25% limit is calculated on an individual plan basis, based on the plan's account value on the previous day's market close. If you previously purchased a QLAC, the calculation of your 25% limit is more complicated. Please contact an attorney or tax professional for additional details.

How It Works:

The value of lifetime income

In exchange for a lump-sum investment, deferred income annuities provide guaranteed lifetime income, beginning on a date in the future that you choose. What separates annuities from other investment options is the benefit of longevity risk pooling (or mortality credits). Effectively, assets from annuitants with shorter life spans remain in “the mortality pool” to support the payouts collected by those annuitants with longer life spans. Put simply, the longer you live, the more money you will receive. This is why it is so challenging for any individual investor to replicate this income stream to last a lifetime.



This hypothetical example is for illustrative purposes only. It is not intended to predict or project income payments. Your actual income payments may be higher or lower than those shown here.

This hypothetical example assumes an investment by a 55-year-old female in a single-life deferred income annuity with payments deferred 10 years to age 65. Taxes are not reflected in this example.

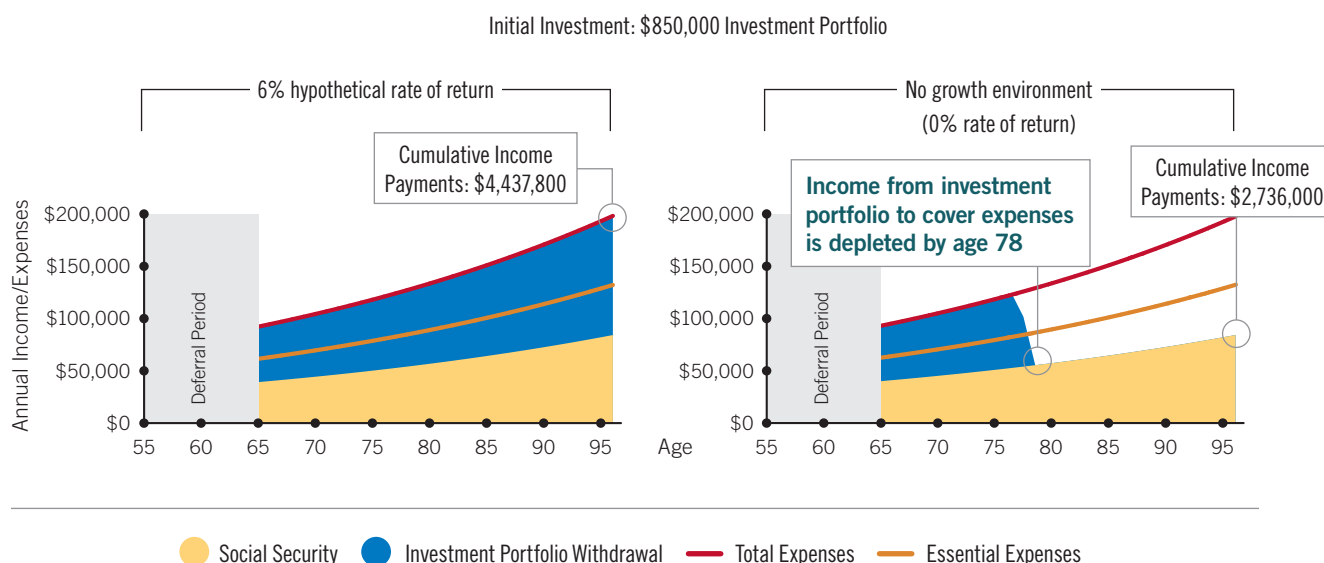
How does a Deferred Income Annuity fit into a diversified income plan?

We believe every investor should have a plan in place that combines multiple sources of income to create a retirement income stream to help meet their needs. Deferred income annuities can help provide a predictable stream of lifetime income regardless of market fluctuation, which may help you become more comfortable in maintaining your strategy for your other investments.

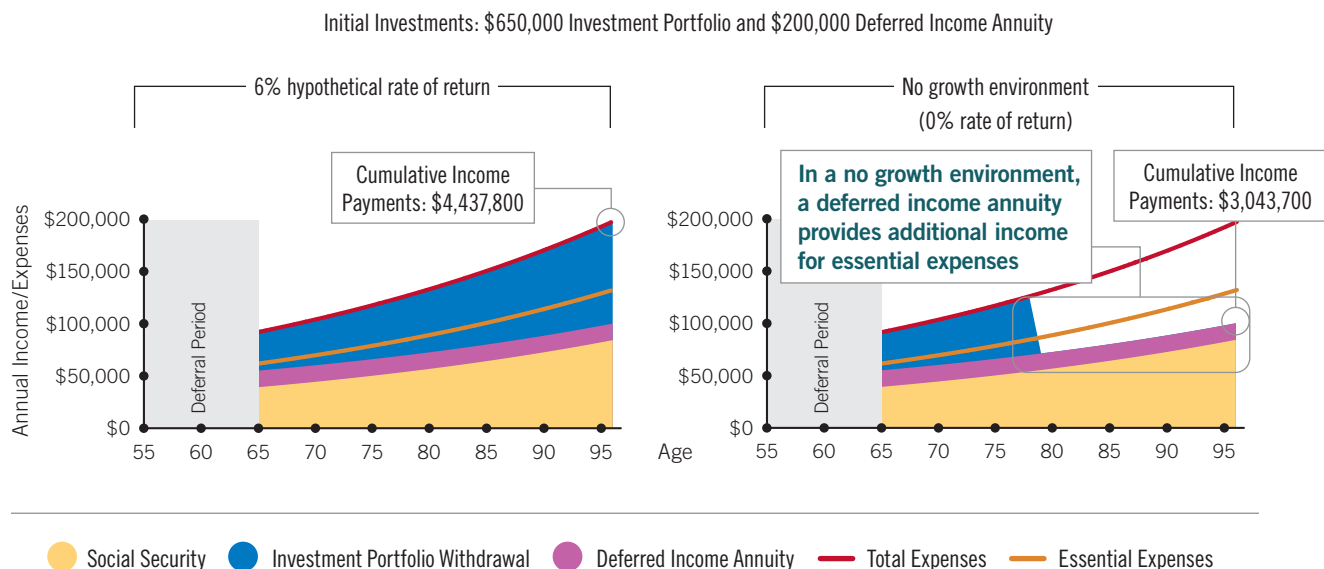
The next page shows a hypothetical example of a 55-year-old woman who is looking to retire in 10 years at age 65 and wants to start planning to help cover her essential expenses with guaranteed income throughout retirement regardless of market conditions. She has \$850,000 in available assets and will be collecting lifetime payments from Social Security. She takes her first step in building a diversified income plan by purchasing a deferred income annuity, which secures additional lifetime income beginning in 10 years. This will better position her to help cover essential expenses in retirement.

Sources of income: Helping to meet essential needs in retirement

HYPOTHETICAL EXAMPLE: INVESTMENT PORTFOLIO + SOCIAL SECURITY



HYPOTHETICAL EXAMPLE: INVESTMENT PORTFOLIO + DEFERRED INCOME ANNUITY + SOCIAL SECURITY



These hypothetical examples are for illustrative purposes only. They are not intended to predict or project investment results. Your actual results may be higher or lower than those shown here.

Two retirement income strategies are presented above. In each case, the investor is receiving Social Security payments and has \$850,000 to invest to generate the additional income she will need to meet her total expenses, including taxes, in a given year. One strategy invests the entire \$850,000 in an investment portfolio utilizing a systematic withdrawal program (SWP). The other strategy divides the \$850,000 as follows: \$650,000 in an investment portfolio utilizing a SWP and \$200,000 in a single-life deferred income annuity with a cash refund feature. The SWP amounts illustrated for each strategy: (i) are the amounts required and available in the investment portfolio to fully fund total expenses for the given year after accounting for Social Security and deferred income annuity payments, and (ii) assume a constant 6% and 0% (no growth) hypothetical rate of return for the investment portfolio. Under a 6% return assumption, the investment portfolio balance for the SWP-only strategy would exceed that of the SWP and Deferred Income Annuity strategy. The Social Security and deferred income annuity payments do not change based on the market conditions. Essential and total expenses and Social Security payments are assumed to increase at 2.5% annually. An effective tax rate of 15% is assumed. Fund fees and other expenses are not reflected for the investment portfolio. See last page for additional information.

Quick Facts and Features

Lifetime income options	<p>Predictable, guaranteed lifetime income</p> <ul style="list-style-type: none"> You (or you and your spouse) will receive income payments guaranteed to last a lifetime in return for a lump-sum investment. To receive these lifetime income payments, however, you will have limited or no access to your assets.
Features to help address your unique retirement needs	<p>Beneficiary Protection:</p> <p>You may customize your annuity contract with additional beneficiary protection. You may select one of the following:</p> <ul style="list-style-type: none"> A cash refund, which refunds your lump-sum investment minus any payments to your beneficiaries upon death A guaranteed period (5 to 30 years), which refunds your lump-sum investment if death occurs during the deferral period. If death occurs after income starts but before the end of the selected guaranteed period, your beneficiaries will continue to receive the payments for the remainder of the guaranteed period. Please note that this is not available for QLAC. <p>Annual Increase Option:</p> <ul style="list-style-type: none"> Annual increases begin once your payments start, and increase your payment by a percentage you chose, typically 1% to 5%, to help keep pace with inflation
Flexibility	<ul style="list-style-type: none"> Payments beginning on a date you select⁴ (13 months to 40 years from your initial investment) You have the ability to change the income start date should your needs change⁵
How to fund your annuity	<ul style="list-style-type: none"> Tax-free transfer from a qualified 401(k) plan, IRA, or other employer-sponsored plan Use money from your current savings, bonus, or inheritance Exchange an existing annuity to Fidelity, tax free, with a 1035 exchange⁶ \$10,000 minimum investment amount, with the ability to add additional investments⁷ before your income start date

Guarantees are subject to the claims-paying ability of the issuing insurance company.

⁴Restrictions may apply. Please refer to the product fact sheet.

⁵Restrictions may apply, depending on payment option and/or contract type selected. The new income amount will be determined by the issuing insurance company. Please refer to the product fact sheet for additional details.

⁶A 1035 exchange is a provision in the tax code that allows for the transfer of funds between annuity policies tax-free. Before exchanging, check with your current provider to see if it will assess a surrender charge, and also consider the existing benefits and features you may lose in an exchange, which may be of particular importance in poor market conditions.

⁷Minimum subsequent premium amounts, and limitations to when additional payments are allowed prior to income start date, may apply. Please refer to the product fact sheet.

The Fidelity Insurance Network^{®8}

Selecting an annuity just got easier.

Choosing an annuity can be a complex and time-consuming process. Income payments can vary widely depending on the features you've chosen; there are many different options available. It can be challenging to get the right mix for your situation.

With The Fidelity Insurance Network, you have access to a network of reputable insurance providers all in one place. Fidelity has streamlined and simplified the process of comparing income payments and selecting the products, the company, and the features. We'll help you decide which type of annuity could help you meet your retirement goals.

With The Fidelity Insurance Network[®], you will receive:

Access	Choice	Guidance
<ul style="list-style-type: none">• Easy access to a variety of reputable companies• Deferred income annuities (DIAs)• Fixed deferred annuities, commonly known as single premium deferred annuities (SPDAs)• Fixed income annuities, commonly known as single premium income annuities (SPIAs)	<ul style="list-style-type: none">• Broad choice of products that can be tailored to meet your needs• Selection of competitive products all in one place• Ability to directly compare annuity choices	<ul style="list-style-type: none">• Planning-based approach• Access to the tools and resources needed to help you make an informed decision• Support from a Fidelity financial professional who can help you address your retirement needs

Take the next step today



Call us at 800.544.2442.

We're available Monday through Friday, from 8 a.m. to 8 p.m. Eastern time.



Visit [Fidelity.com/deferredincome](https://www.fidelity.com/deferredincome) 24 hours a day for more information.

⁸Fixed annuities available at Fidelity 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, Fidelity Brokerage Services, Member NYSE, SIPC. A contract's financial guarantees are solely the responsibility of and are subject to the claims-paying ability of the issuing insurance company.

Go to [Fidelity.com/deferredincome](https://www.fidelity.com/deferredincome) to:

- View informative videos
- Explore our interactive tools
- Learn more about your investment options



900 SALEM STREET

SMITHFIELD, RHODE ISLAND 02917

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

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

Some products and features may not be available in all states and variations may apply.

Sources of Income: Helping to Meet Essential Needs in Retirement

Deferred income annuity:

In order to arrive at the estimate, the best quote available as of June 20, 2019, was used from among the single-life deferred income annuities with a cash refund feature, which are distributed by Fidelity Insurance Agency, Inc.; and are issued by third-party insurance companies, which are not affiliated with any Fidelity Investments company. Rates may change daily. A cash refund feature can be purchased with certain fixed income annuity contracts. A contract with a cash refund feature refunds your lump-sum investment, minus any payments you have received, to your beneficiaries upon death. Once the total payments made during the lifetime of the annuitant equal the premium, no death benefit is payable.

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