Overcoming the excuses to move forward with your retirement savings.

Don't fool yourself into thinking you can't save for your future: The fact is, your retirement savings plan helps make it easy, convenient, and affordable to accumulate the money you need for retirement. Having trouble getting started? Here are some facts that can help you overcome nine of the most common excuses.

ACTION PLAN

- Differentiate retirement savings fact from fiction
- Decide on an amount you can afford
- Get started today

Excuse #1: I don't understand investing.
You don't need to be an expert to save for your future, you just need to know a few fundamentals. Your employer and Fidelity can provide the guidance, education, tools, and ongoing support you need to become comfortable with investing.

Excuse #2: I can't afford to save.
You can't afford *not* to save. Especially when you realize what a big difference small contributions can make. Let's say you start by putting just $7 a week—the price of a few cups of coffee—in your retirement savings plan. You might barely notice the difference in your paycheck. But when you get your year-end account statement, you'll see that you contributed $360. That's a good start. Automatic payroll deduction makes adding to your plan account painless. Because you save on a pretax basis, you reduce your current income tax bill with every dollar you put in. Putting away a percentage of your paycheck, instead of a set dollar amount, will keep your savings in line with your pay raises. And even better, your employer may help you save more by making matching contributions to your account.

Small changes can yield big savings.
Take a closer look at how you're spending your money. Are there places you could cut back? With your retirement savings plan, every little bit adds up.

	Monthly savings	Yearly savings	Potential growth after 30 years in your retirement savings plan*
Bring lunch to work	$100	$1,200	**$150,030**
Forgo one restaurant dinner a month	$50	$600	**$75,015**
Buy one less coffee a day	$70	$840	**$105,021**

These numbers are estimates and are for illustrative purposes only.

*These totals assume an 8% annual rate of return, compounded monthly, and an annual contribution to a tax-deferred retirement plan for the entire number of years indicated for the amounts shown above. Pretax contributions and earnings will be taxed at the time of withdrawal. Systematic investing does not ensure a profit and does not protect against loss in a declining market.

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Excuse #3: I have plenty of time.
Being young is the perfect excuse to start saving in your plan, not to put it off. Thanks to the potential of compounded earnings, the money you save can multiply many times over in the years between now and retirement. In fact, if you start saving early in your plan and then stop, you could actually accumulate more for retirement than a coworker who starts later, saves for longer, and puts more money in.

Excuse #4: I worry about losing money.
Fear of losing money is understandable. But not investing your money doesn't give it a chance to grow. Your retirement savings plan offers a broad range of investment options with different risk and return characteristics—from more conservative to more aggressive. When you enroll, you'll get the tools, education, and guidance you need to help identify what type of investor you are. This will help you determine which choices you'll be most comfortable with.

A tale of two savers.
By starting early, you could potentially generate a bigger balance at retirement, while investing less along the way.

	Starting age	Ending age	Total contributed	Years contributed	Potential value at age 65*
Tracy	21	30*	**$10,000**	10	**$214,189**
Rob	35	64*	**$30,000**	30	**$122,346**

This is a hypothetical example. It assumes $1,000 pretax annual contributions to a tax-deferred plan for the years indicated above and an 8% annual rate of return compounded annually. Your own plan may earn more or less than this example, and income taxes will be due when you withdraw from your account. Investing in this manner does not ensure a profit or guarantee against loss in declining markets.

*While Tracy and Rob stopped contributing to the plan at the ages shown, assets remained invested in the plan until age 65.

Excuse #5: I've got Social Security coming.
The federal government estimates that Social Security benefits currently provide less than one-quarter of what many retirees need to cover their expenses. This makes sense, given the ongoing expense of living in retirement. A couple retiring today at age 65 without employer-provided medical coverage can expect to face $175,000 in out-of-pocket medical expenses.[†] If today's trends hold true, you may be personally responsible for 60% or more of the retirement income you need.[‡] So it's important to save all you can.

Excuse #6: I don't plan to stay at my job forever.
That's why your plan is portable. Your contributions and any earnings are yours to take with you, if you do change jobs. You'll be able to roll your eligible account balance into an IRA or transfer your savings into a new employer's plan, if allowed. You can even keep your money in this plan, if plan rules allow it.

[†] *Retiree Health Care Accounts: The Next Step Toward a Workable Solution,* Fidelity Workplace Services (revised December 2003).

[‡] *Income of the Aged Chartbook,* 2001 (released May 2003), Office of Policy, Social Security Administration. Cited statistics reflect key sources of retirement income for households with income of $40,000 or more per year.

Excuse #7: Small investments aren't going to get me to the retirement savings I need.
Don't underestimate how a small amount of money can grow over time, especially in a plan like yours. Any earnings on your savings are reinvested right into your account—where they can produce additional earnings. The longer this "compounding" process continues, the better your chances to accumulate the money you need. And you won't pay taxes on either your original investments or any investment earnings until withdrawal. You have the opportunity to save big, even if you have to start small.

The immediate advantage of pretax investing
When you factor in the tax effects, it takes less of your take-home pay to save in your retirement savings plan than in an after-tax account. This is an important financial advantage you won't want to miss.

	Pretax plan account	After-tax savings account
Weekly pay	$450.00	$450.00
Weekly savings	$25.00	$25.00
Taxable income	$425.00	$450.00
Federal income taxes at a hypothetical 25%	$106.25	$112.50
Take-home pay after taxes	$318.75	$312.50
Weekly increase in take-home pay	$6.25	
After one year, that adds up to	**$325.00**	

Actual taxes and tax savings will depend on your individual tax situation. "Take-home pay after taxes" does not take into account any payroll deductions except the assumed income taxes noted above.

Excuse #8: I've waited too long. Now it's too late.
Not when you consider how your money can grow. The chart above shows how it can all add up. If you start now, you can make good progress. Don't wait any longer.

Excuse #9: I won't be able to get at my money if I need it.
While the plan is designed primarily for retirement saving, you may be able to borrow from your account. If you have a financial hardship, emergency withdrawals may also be available. However, loans and withdrawals can create tax issues for you. Contact your plan administrator or Fidelity to find out about your plan's provisions and the relevant tax laws.

HERE'S HELP

To **enroll** in your retirement savings plan:

- Call your plan's toll-free number, weekdays from 8 a.m. to midnight Eastern time
- Visit Fidelity NetBenefits®

Questions? Visit Fidelity NetBenefits or call your plan's toll-free number.

Before investing in any investment option, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call Fidelity at 1-800-343-0860 or visit www.fidelity.com for a free mutual fund or variable annuity prospectus. For information on fixed annuities, contact Fidelity to request a fact sheet. Read them carefully before you invest.

Pretax contributions are subject to the annual IRS dollar limit.

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