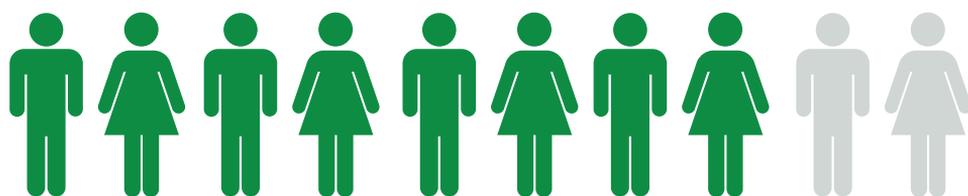


**HEALTH CARE AND RETIREMENT:**

# FOR YOUR WALLET, IT'S SURVIVAL OF THE FITTEST

Most people worry about health care costs ...

More than eight out of every 10 people wonder whether they can cover health care costs in retirement, according to Fidelity Investments' recent Retirement Savings Assessment<sup>1</sup>.



... even though they underestimate the real cost.

Amount 48% of pre-retirees thought they would spend per person on health care<sup>2</sup>:



**\$50,000**  
per person

Amount the average couple retiring today are estimated to spend on health care<sup>3</sup>:



**\$220,000**  
per couple

Health care costs tend to represent a larger share of total spending in retirement

		<b>Age 55-65</b>	<b>65+</b>
Average annual expenditures <sup>4</sup>		\$53,616	\$39,173
Health care		7.6%	<b>12.2%</b>
Food		12.2%	<b>13.2%</b>
Housing		32.0%	<b>35.0%</b>

Bottom line: The healthier you are, the better your chances of living comfortably longer in retirement:

If your pre-retirement income is \$80,000 a year, here's how much of that working income you'll need to replace once you stop working:

**If your health is poor<sup>5</sup>:**



**96%** (\$76,800)

**If your health is excellent:**



**77%** (\$61,600)

That's a **\$15,200** difference every year.

Turn here®



1. The 2013 Retirement Savings Assessment, a national online survey of 2,265 working households conducted from June through October by GfK Public Affairs. These findings are the culmination of a yearlong research project with Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company, which analyzed the overall retirement readiness of American households based on data such as workplace and individual savings accounts, annuities, projected Social Security benefits, home equity and pension benefits.

2. The HSA research study was conducted on behalf of Fidelity Investments by GfK Public Affairs & Corporate Communications from February 4th to 20th, 2013 using GfK's online KnowledgePanel. The study was conducted among a nationally representative sample of 1,836 U.S. adults between the ages of 25 to 62, with a household income of \$25,000 or more.

3. Fidelity's 2013 Retiree Health Care Cost Estimate. Based on a hypothetical couple retiring in 2012, 65 years or older, with average (82 male, 85 female) life expectancies. Estimates are calculated for "average" retirees, but may be more or less depending on actual health status, area of residence, and longevity. Assumes individuals do not have employer-provided retiree health care coverage, but do qualify for Medicare. The calculation takes into account cost sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care.

4. Bureau of Labor Statistics 2012 Consumer Expenditure Survey

5. Based on Retirement Savings Assessment research. The working assumption for "poor health": five chronic conditions during retirement and needs five prescription medications.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

Fidelity Investments Institutional Services Company, Inc., 500 Salem St., Smithfield, RI 02917

© 2014 FMR LLC. All rights reserved.

676525.1.0