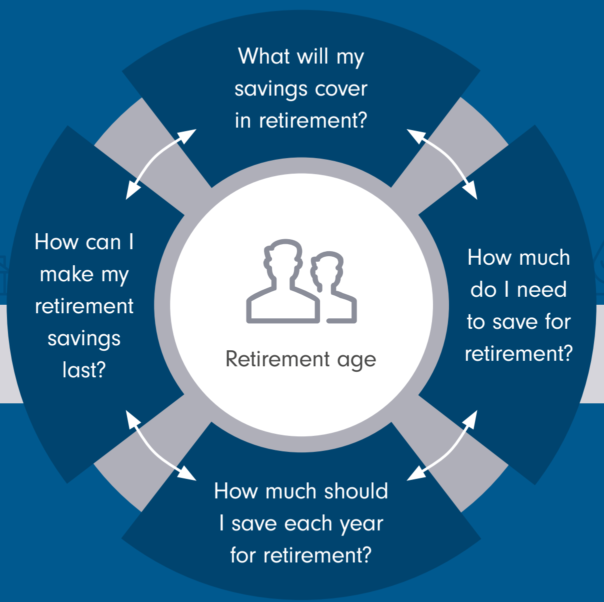
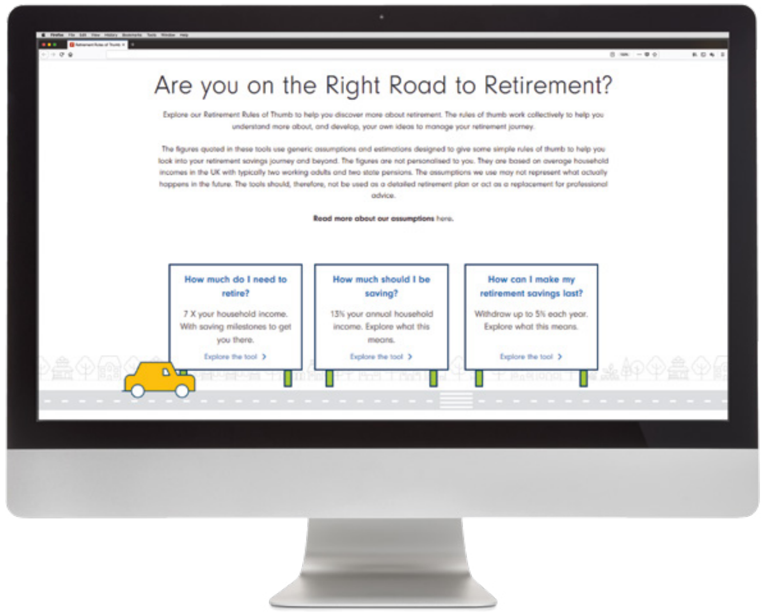
Supporting your employees on their road to retirement

We have developed Retirement Saving Guidelines and rules of thumb that can help your employees discover more about retirement. Each of our rules of thumb aim to answer one of four commonly asked questions about retirement.

The rules of thumb are brought to life through interactive tools, articles and guidance graphics. They are all located on our **website**, as part of our Financial Wellness offer and they work collectively to help your employees understand more and develop their own ideas about how to manage their retirement journey.





Bringing it all together...

At the heart of the Retirement Savings Guidelines are the interactive tools which take employees through different stages of the retirement journey. How much do I need to retire?, How much should I be saving? and How can I make my retirement savings last?

The content has been tailored to enable a seamless journey through the website and beyond. Exploring the tools employees can; further understand the retirement savings guidelines, see if they should consider paying more into their pension, understand what their retirement savings should cover in retirement and find out more about their bigger financial picture and financial wellness.

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How much do I need to retire?

7x

This rule of thumb is all about the number 7. Our research* shows that workers who save 7x their annual household income by the age of 68 should be able to retire without any material reduction in their standard of living. Our tool also shows employees how they could get to the 7x saving goal by illustrating saving milestones at age 30, 40, 50, 60 and 68.

*Source: Fidelity International's Retirement Savings Guidelines. White paper 2018.

How can I make my retirement savings last?

5%

One of the most challenging questions about retirement is how much should be withdrawn from retirement savings to make sure that the savings last. **Our rule of thumb is to limit withdrawals to no more than 5% of initial retirement savings.** The tool allows employees to explore what this means.

How much should I save each year for retirement?

13%

This rule of thumb is 13%. If employees save for retirement from age 25 to age 68 we suggest that they aim to save at least 13% of their household annual income, before tax each year. Employees can use the tool and tailored content to understand more about the choices they make before retirement.

Will my retirement savings cover my retirement?

35%

Our rule of thumb is that household retirement savings should cover about 35% of your pre-retirement annual household income before tax, with the rest coming from State Pensions. Our article and graphics show how other important considerations can impact this figure.

The challenge of providing retirement planning is not unique to employers in the UK. There is a need for active engagement in the retirement planning process across the world.

Read more about how Fidelity's retirement guidelines apply in the US, Hong Kong, Germany and Japan.

This article is designed for our corporate clients. The information does not constitute investment advice and should not be used as the basis for any investment decision nor should it be treated as a personal recommendation. The figures quoted above use generic assumptions and estimations designed to give some simple rules of thumb to help your employees look into their retirement savings journey and beyond. They are based on average household incomes in the UK with typically two working adults and two state pensions.

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