

# Personal and Prescriptive Financial Education: Making the Most of Your Benefits Dollar

March 1, 2010

Turn here <sup>SM</sup>



# Employee Response to Recent Marketplace Volatility

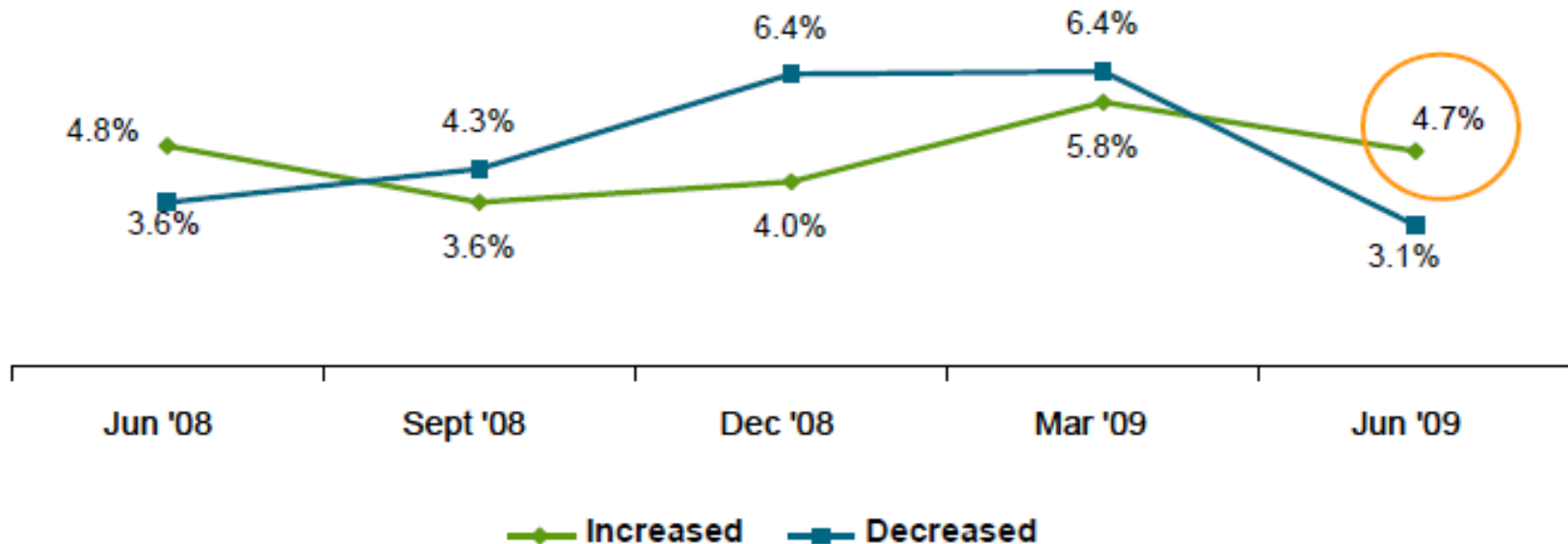


## Most employees continue to participate in 401(k) plans

- ▶ Following a brief period where some employees decreased deferral rates, or ceased participation, employee participation and deferral levels have been trending towards historical levels

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### Percentage of continuous active participants increasing versus decreasing deferrals (quarterly totals)



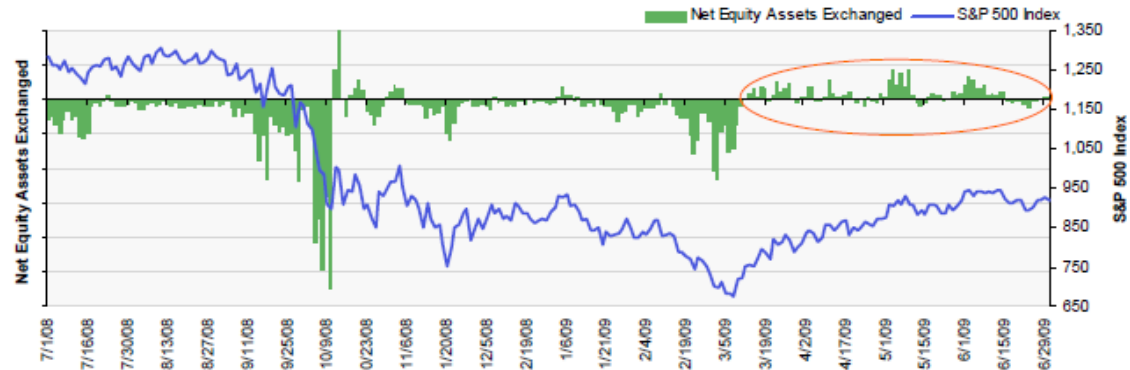
Source: Fidelity Perspectives, August 2009, Q2 2009 DC Trends

# Employee Response to Recent Marketplace Volatility



Employee transactions in and out of equities have aligned with broader stock market experience, though transactions back into equities since market return has been cautious

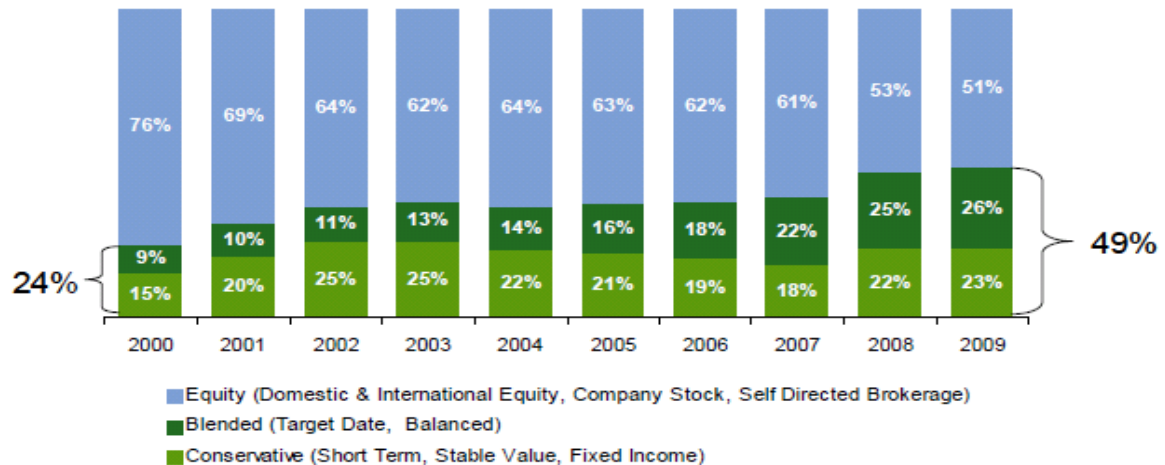
Net Equity Assets Exchanged versus the S&P 500



Source: Fidelity Perspectives, Q2 2009 DC Trends, August 2009

Spike in contributions directed towards stable investments (cash and fixed income) or target funds in 2008 and 2009

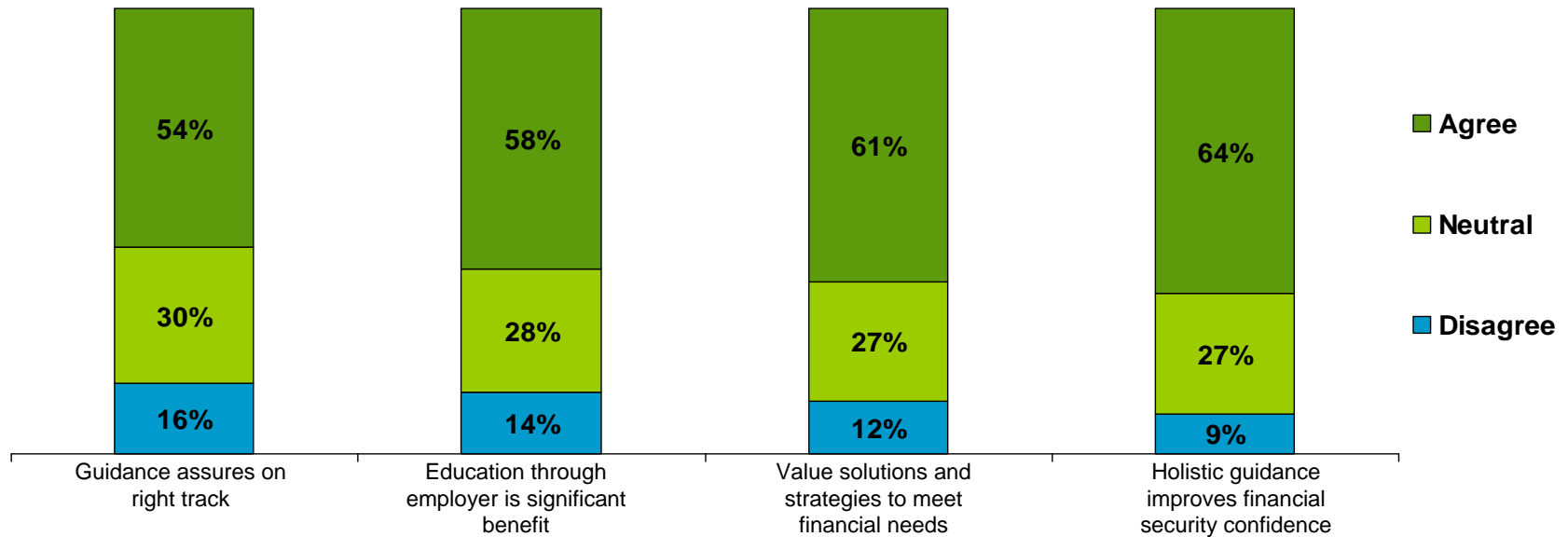
Percentage of Total Contributions Allocated by Asset Class



Source: Fidelity Report on 2009 401(k) Experience, January 2009

# Employees Are Looking For Help

A majority of participants are looking for holistic, proactive guidance



Participant Sentiment Survey, September 2009

**44%**

Increase in online guidance interactions between August 2008 and August 2009

# Many Investors Prefer a Second Opinion



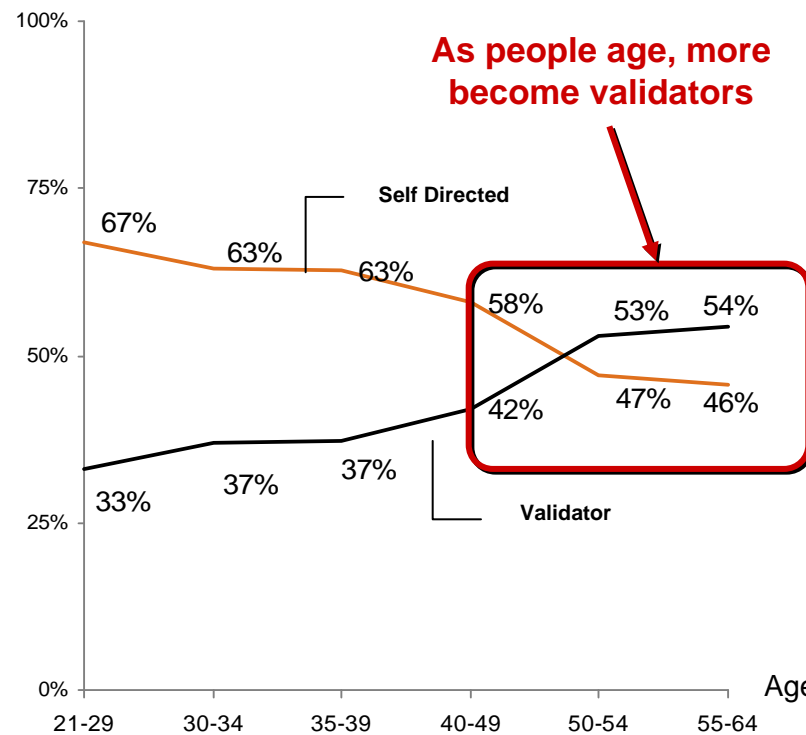
## Investor Profile Types

- Self-Directed:** Do own research and make own investment decisions
- Validator:** Make own decisions, but use an investment professional for information / a second opinion
- Delegator:** Delegate decisions about investments to an investment professional

### PROFILE OF FIDELITY RETAIL CUSTOMERS

	1998	2008
Number of Households	3.5M	6.5M
<u>Investment approach<sup>2</sup></u>		
• Self-directed	74%	44%
• Validator	23%	42%
• Delegator	3%	14%

Sources: Investor Profile, 1998, Loyalty Study, 2008 (except where noted)  
<sup>2</sup> – Fidelity Household Profiler T1 2009 \*Total customers



Note: Excludes Established Segment, excludes most who selected Job Change, Job Loss, Retired, which were taken to IRA Rollover buying process  
 Source: Investment Buying Process Survey; n=3,950





## EMC

- 33,000 global employees, 16,000 reside in U.S.
- Well educated and well paid workforce
- History of consumer-centric employee solutions

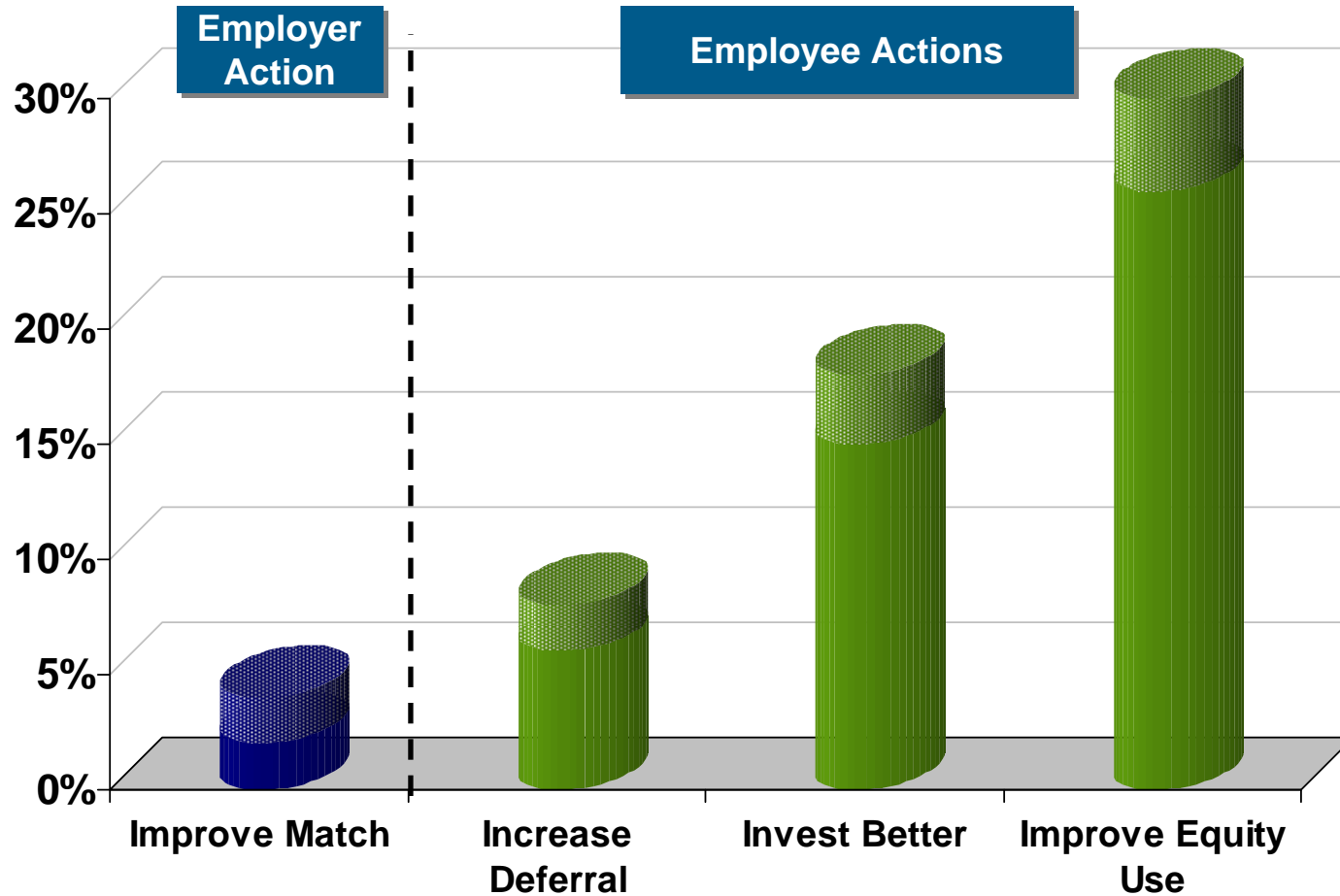
## Initial Questions

- Are our employees accumulating sufficient wealth to retire?
- Is EMC's retirement plan competitive and progressive?
- Should EMC increase the company match to the 401(k) plan?
- Are EMC and its employees optimizing tax-efficient solutions?

# The Value of Making Good Decisions



## Retirement Income Improvement

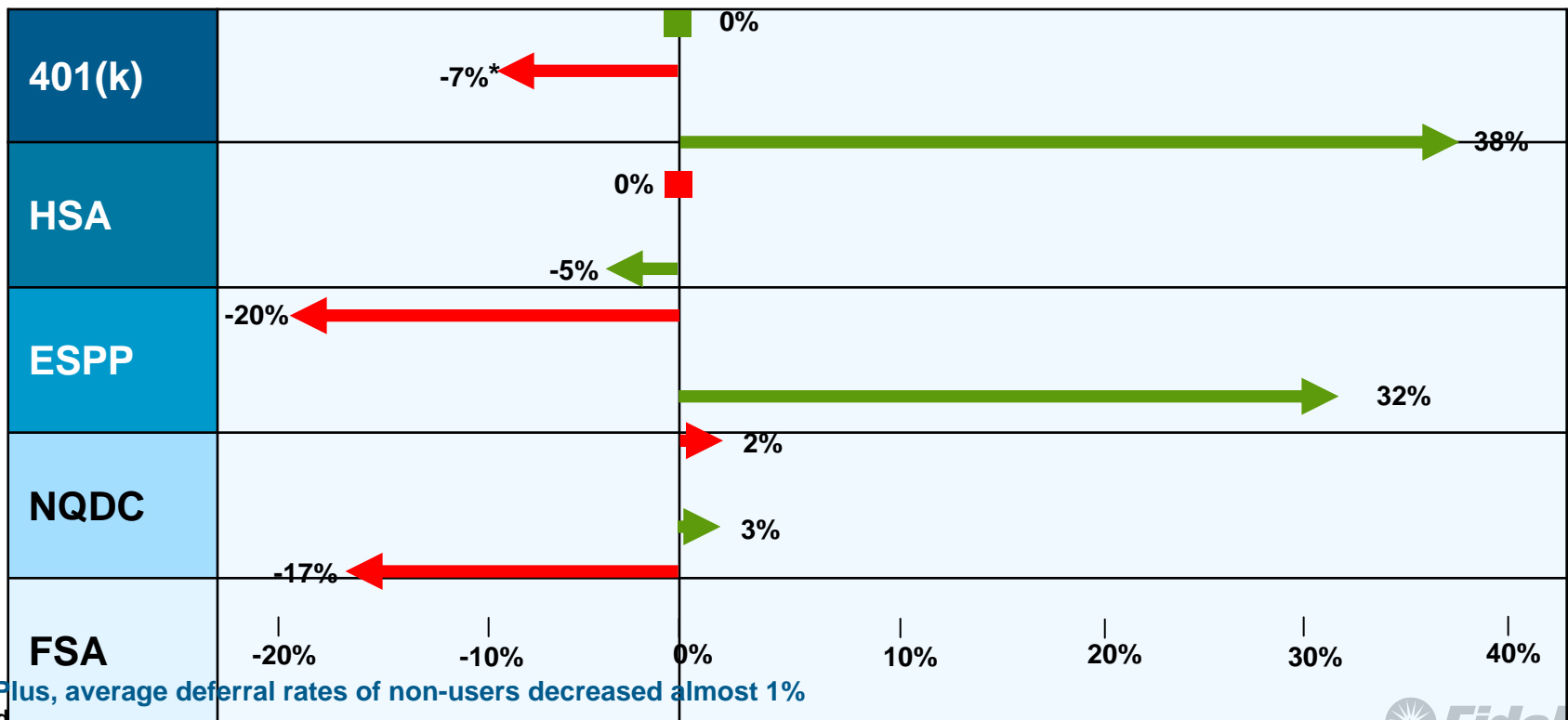


# The Power of Personal Prescriptive Education



Since launch in August 2008, those 2,075 employees who have actively utilized the Modeler, Optimizer and/or the Statement are exhibiting many desired behaviors

## Changes in Participation



\* Plus, average deferral rates of non-users decreased almost 1%

# WealthLink — A Personal and Prescriptive Solution



The screenshot shows the WealthLink website interface. At the top left is the WealthLink logo. To its right are navigation links: LOG OUT, WEALTH ASSESSMENT, TAKE A TOUR, TOTAL REWARDS STATEMENT, and PRINT. Below this is a secondary navigation bar with links: YOUR HOME, Model, Learn, Optimize, Connect, and Take Action, along with a search bar. The main content area features a large green banner with a 'NEST EGG' graphic and a personalized welcome message for 'John3509620'. To the right of the banner are three colored boxes: a purple one for 'HealthLink for You', a red one for 'With Others', and a yellow one for 'Learn More'. Below the banner are four columns of content: 'Tip of the Day' (Charitable Trust), 'Ask WealthLink' (Financial Adviser vs. Stock Broker), 'Wealth Links' (Basics of Investing), and 'More Events'. On the right side, there is a summary of 'Action Plans' and 'Reading List' items with an 'Expand' button. The footer contains copyright information, navigation links (FAQs, CONTACT US, GLOSSARY, FEEDBACK, ASSUMPTIONS, LEGAL INFORMATION), and the EMC logo.

# Personalized Action Plans to Navigate Site and Learn Efficiently





[LOG OUT](#) :: [VIEW MY STATEMENT](#) :: [WEALTH ASSESSMENT](#) :: [TAKE A TOUR](#)  [PRINT](#)

YOUR HOME Model ▾ Learn ▾ Optimize ▾ Connect ▾ Take Action ▾

-  **You are Doing Great** and taking the necessary steps to help meet your goals.
-  **You are On Track** and taking many of the necessary steps to meet your goals.
-  **You may be Playing Catch Up** and taking a few of the necessary steps, but may need to change some of your behaviors to meet your goals.
-  **You may be At Risk** and taking very few of the necessary steps, and likely need to change your behaviors to meet your goals.

## John3493639, Congratulations on Completing Your Wealth Assessment!

 **Based upon your participation in EMC programs and responses to the Assessment, you appear to be PLAYING CATCH UP regarding your financial health and your use of EMC programs.**


Here are a number of suggestions you may wish to consider adding to your WealthLink Action Plan or Reading List as you work to improve your score and meet your wealth accumulation goals.


### BUILD YOUR WEALTH

You may be Playing Catch Up	ADD TO MY ACTION PLAN	ADD TO MY READING LIST
Congratulations! You're participating in EMC wealth accumulation plans and saving a portion of your bonus and stock proceeds toward retirement. But are you saving enough to meet your goals? Go to the <b>Modeler</b> to see how increasing your savings today could help increase your long-term wealth accumulation.	<input type="checkbox"/>	
You're currently participating in EMC programs, but are you getting the most for your dollars? Go to the <b>Optimizer</b> to see if you're maximizing the EMC programs available to you.	<input type="checkbox"/>	
It's never too late to get financially savvy—so you can make smart choices about saving for your goals. Learn more so you can increase your financial understanding. Once you've got some of the basics down, consider meeting with a financial advisor.	<input type="checkbox"/>	<input type="checkbox"/>
The market moves quickly, and you need to move with it. Learn more about why asset allocation and rebalancing are important.	<input type="checkbox"/>	<input type="checkbox"/>
Learn more about what you can do to reduce your debt and consider meeting with a financial advisor.	<input type="checkbox"/>	<input type="checkbox"/>

# Detailed and Customized Wealth Accumulation Modeling





[LOG OUT](#) :: [VIEW MY STATEMENT](#) :: [WEALTH ASSESSMENT](#) :: [TAKE A TOUR](#)  [PRINT](#)

YOUR HOME
Model ▾
Learn ▸
Optimize ▸
Connect ▸
Take Action ▸

**GET READY**

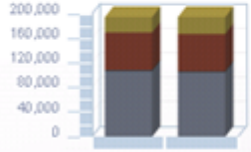
ADD TO / UPDATE MY PROFILE

**MODEL NOW**

- Personal Information
- EMC Wealth Accumulation Plans
- Other Wealth Accumulation Plans
- ▶ **EMC Stock Plans**
- Life Events

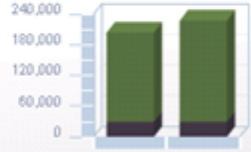
VIEW MY MODELED RESULTS

**SAVE AND SPEND TODAY**



Current    Modeled

**PROJECTED ANNUAL RETIREMENT INCOME**



Current    Modeled

**PROJECTED PRE-RETIREMENT DISPOSABLE INCOME**

Modeled \$173,000

**PROJECTED TOTAL RETIREMENT SAVINGS**

Current \$2,330,000    Modeled \$2,660,000

**SAVE AND SPEND**

- SAVINGS
- TAXES
- OTHER CONTRIBUTIONS
- DISPOSABLE INCOME

**RETIREMENT INCOME**

- ALL RETIREMENT SAVINGS
- SOCIAL SECURITY

**ESPP    OPTIONS    RSUs    YOUR OUTLOOK**

Expected future contribution % each purchase period

0  15%


Expected hold period after purchase

0  40 yrs

Expected % of proceeds saved for long-term wealth accumulation

0  100%

**STOCK USE**



ESPP

**STOCK USE**

- TAXES
- SPEND
- SAVE

UPDATE CHARTS

**Finished with your modeling session?**

To save your changes, create your Modeled Results, and generate an Action Plan, click Save.

Save


Note: If you also want to save any of these changes to your Profile, you'll need to return to Add To/Update My Profile and make the appropriate adjustments.


If you'd like to reset the changes you've made during your most recent modeling session to match your Profile, click Reset.

Reset

# Specific Recommendations to Capitalize on Tax Efficiencies and Maximize Company Subsidies





[LOG OUT](#) :: [VIEW MY STATEMENT](#) :: [WEALTH ASSESSMENT](#) :: [TAKE A TOUR](#)  [PRINT](#)

YOUR HOME Model ▾ Learn ▾ Optimize ▾ Connect ▾ Take Action ▾

GET READY

OPTIMIZE ME!

MY OPTIMIZED RESULTS

## John3493639, Here are Your Optimized Results.

Based on what you've told us and your current EMC program participation, there are some things you may want to consider. The table below shows how you're currently spending and saving money on an **annualized** basis, as well as an Optimized Alternative that could save you money.

**Note:** Before leaving the Optimizer, be sure to print your Optimized Results using the Print icon in the top right corner of your screen. Your Optimized Results from this session will not be saved once you leave this page.

**WEALTH ACCUMULATION PLANS** 
■ Current Allocation    ■ Optimized Allocation

Employee Stock Purchase Plan (ESPP) Long-Term Savings	<div style="display: flex; justify-content: space-between;"> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #92d050;"></div></div> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #006699;"></div></div> </div>	\$3,412 \$3,412
401(k) Savings Plan	<div style="display: flex; justify-content: space-between;"> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #92d050;"></div></div> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #006699;"></div></div> </div>	\$15,500 \$15,500
Health Savings Account (HSA) <span style="color: #006699; font-weight: bold; border: 1px solid #006699; border-radius: 50%; padding: 2px;">?</span>	<div style="display: flex; justify-content: space-between;"> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #92d050;"></div></div> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #006699;"></div></div> </div>	\$0 \$0
Deferred Compensation Retirement Plan	<div style="display: flex; justify-content: space-between;"> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #92d050;"></div></div> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #006699;"></div></div> </div>	\$0 \$12,000
Other Non-Tax Advantaged Savings	<div style="display: flex; justify-content: space-between;"> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #92d050;"></div></div> <div style="width: 50%;"><div style="width: 100%; height: 10px; background-color: #006699;"></div></div> </div>	\$12,000 \$0

By taking full advantage of EMC programs and optimizing your saving and spending decisions you could have:

Increased the money provided to you by EMC by:	\$	\$488
Decreased your expected tax payments by:	\$	\$3,642
<b>Total Annual Value Created by Optimized Results:</b>	<b>\$</b>	<b>\$4,131</b>

Based upon your **Optimize Me!** session, you may want to consider adding the following items to your Action Plan and Reading List. Simply choose the items you wish to add and click the button below.

# Creative and Fun Means of Engaging and Educating Employees



The screenshot displays the WealthLink website interface. At the top left is the WealthLink logo. To the right are navigation links: LOG OUT, VIEW MY STATEMENT, WEALTH ASSESSMENT, TAKE A TOUR, and a PRINT button. Below this is a main navigation bar with tabs: YOUR HOME, Model, Learn, Optimize (highlighted), Connect, and Take Action. A search bar is on the right of this bar. On the left side, there is a sidebar with links: GET READY, OPTIMIZE ME!, and MY OPTIMIZED RESULTS. The central area features a video player showing a woman in a red top and a man in a suit. Below the video is a control bar with PLAY, PAUSE, REPLAY, and AUDIO ON/OFF buttons. A button below the video says "SEE WHAT ROB AND KRISTA THINK ABOUT USING THE OPTIMIZER...". At the bottom, a call to action reads "Ready to make every dollar count? Go to [Optimize Me!](#)". On the right side of the page, there is a text snippet: "ut how you may be able benefits. By using every year. The Optimizer considers".

# Total Compensation Statements: Driving Participant Behavior



**theta**  
CORPORATION

log out | reset password | site map

welcome see more do more take action

## Your Total Rewards Statement

**Welcome Sarah!** At Theta Corp., the value of your total rewards goes far beyond the dollars you see in your paycheck. We provide important benefits and compensation programs you can use to help meet your needs today and prepare for the future.

Want to learn more about what you have and how you may be able to get even more value from these programs? Check out your personalized Total Rewards Statement containing data as of December 31, 2008.

### Your Total Rewards for 2009 - \$102,000

- Compensation
- Retirement
- Health
- Income Protection
- Work & Life

**Health:**  
5.9% or \$6,000

### While You're Here:

- See More.** Click on each piece of the bar chart at left to explore the compensation and benefits offered to you as a Theta employee. See how much you and Theta contributed toward your various rewards and more about your coverage levels.
- Do More.** Once you've seen what you're currently receiving from Theta, take the next step to learn what you could have. Find out how you can do more to get more value from your Theta total rewards.
- Take Action.** Now that you've viewed your Statement, are you ready to make changes to your Theta benefits? Take the next step now.

**Total Rewards Updates**  
Don't forget that Annual Enrollment ends November 5, 2009! Be sure to **enroll now** to get the coverage that's right for your family's health and your wallet.

FAQs | Assumptions | Glossary | Disclaimers

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# Customized Education on Your Programs



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welcome   **see more**   do more   take action

## Your Total Rewards Statement

Compensation | Retirement | **Health** | Income Protection | Work & Life

### Your Health Rewards for 2009 - \$6,000

- Medical Plan
- Vision Plan
- Health Care FSA
- Dental Plan

Your Annual Cost	Theta's Annual Cost
\$X,XXX	\$X,XXX

**Medical Plan: 40% or \$2,400**  
Theta lets you choose between three medical plans — an HMO, a PPO and a High Deductible Health Plan. All plans help you and your family with the costs of maintaining good health and treating illness or injury. For 2009, you're enrolled in the High Deductible Health Plan with family coverage.

Highlights of the High Deductible Health Plan include:

- Preventive care is covered at 100% after a \$20 copay.
- Theta contributes \$X to the HSA to help pay for eligible medical expenses you or your eligible family members incur today or in the future.
- You're protected from financial hardship by an out-of-pocket maximum.
- You can take steps to improve your health by taking part in a local Theta-sponsored weight loss or exercise program.

**Health Rewards**  
Great job! As a participant in Theta's Health Rewards program, you've earned 100 points so far in 2009. You're well on your way to reduced premiums for 2010. Learn how you can [Do More](#) to earn points.

**Want to Do More?**  
Are you doing all you can to make your health a priority? Explore how you can [Do More](#).

**Did You Know?**  
Theta employees made 100 trips to the emergency room in 2009, which cost the company \$300,000. Studies show that unnecessary ER visits – and expenses – can often be avoided. Unless you're faced with a true emergency, consider calling your doctor or the Theta Nurse Line before making that ER trip.

FAQs | Assumptions | Glossary | Disclaimers

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# Helping Employees Prospectively Optimize Your Programs



welcome

see more

do more

take action

## Your Total Rewards Statement

Make the Most of Your Benefit Dollars Today | **Build Wealth for Tomorrow** | Make Health a Priority | Protect Your Wealth

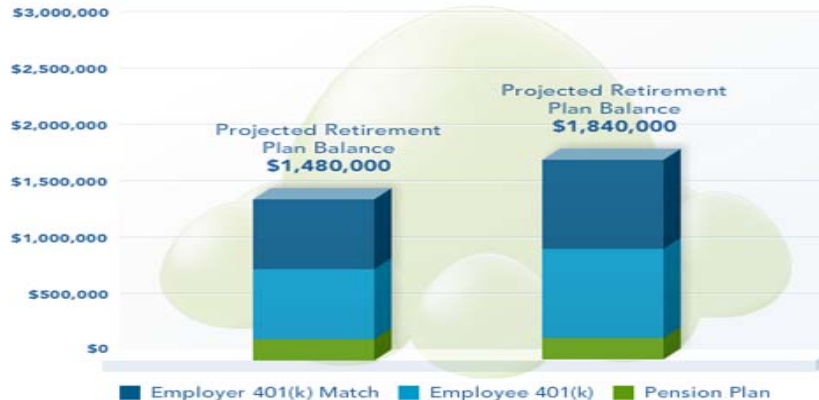
### Build Wealth for the Future

Theta is here to help you meet your retirement savings goals. The 401(k) Plan allows you to save your own money for the future – and we match your contributions with our own contributions to help your savings add up even more quickly. Plus, you have a Pension Plan benefit that will also contribute to your income during retirement.



#### By contributing 6% in 2010:

You may be able to increase your 401(k) Plan balance by **\$360,000** (almost 24%) at age 65.



**Sarah, great job on your current contributions!** You're on the right track by contributing to the 401(k) Plan. But did you realize you're missing out on Theta matching contributions?

**Consider increasing your contributions from 4% to 6% of your paycheck.**

You'll be able to save more for the future and reduce your taxable income for 2010 by **\$750**. Plus, you may be able to receive an additional **\$2,000** in your 401(k) Plan from Theta.

Don't miss out on a valuable benefit for your retirement savings!



#### Did You Know?

According to Fidelity, a husband and wife retiring at age 65 in 2009 will need to save \$240,000 to cover health care costs in retirement if they do not have employer-provided retiree medical coverage. Are you saving enough in your Health Savings Account to pay for future health care costs?



#### Ready to Take Action?

Log in to **NetBenefits®** and change your contribution rate now.



#### Did You Know?

In addition to the Theta retirement plans that are designed to provide you with income in the future, Theta offers a number of no-cost retirement planning tools. Ready to plan your future? Link to the planning tools that are right for you in Take Action.

# Other Employee Guidance Tools



**theta CORPORATION** resources

RETIREMENT PLANNING MADE EASY | FIND RESOURCES NOW | Learn about all of the available retirement planning resources

**Tom:**  
Fast approaching his desired retirement date

"Karen and I have young grandchildren, and we'd like to be able to spend more time with them. We figure in another five years, we'll both be ready to retire. But how do we know if we'll have enough money when the time comes? If I need to work longer, save more or plan on having a part-time job in retirement, I'd rather know now than get surprised five years from now."

**Retirement Planning in Action**  
Follow the images to hear about the steps they are taking to step up their retirement planning.

Kim, Paula, Pete, Tom

QUICK LINKS | DOWNLOADS | EVENTS | NEWS

WHY IS RETIREMENT READINESS IMPORTANT? | RESOURCES | TOP TOPICS | PROGRAM BASICS | Powered by Fidelity

**theta CORPORATION** resources

RETIREMENT PLANNING MADE EASY | FIND RESOURCES NOW | Learn about all of the available retirement planning resources

**Hi Bridget!** At Theta Corporation, we know that balancing your short- and long-term financial savings goals can be difficult. While we all have different long-term retirement dreams—moving to the beach, joining a golf club, exotic travel or travel to see family—taking the steps to make sure you're "on track" for the future you want is a continuous process.

What's the next step to move you closer to your retirement goals and making your retirement plan a successful one?  
Based on the information you provided about your life and savings goals, the tools and resources highlighted below will help you take the next step in your retirement plan.

Retirement Quick Check | Take Home Pay Calculator | Regional Phone Centers

**Top Three Recommendations**  
Roll over the icons to learn about the tools and resources.

Additional tools and resources to consider that best suit your learning style:  
I like to read | I like to listen | I like to model | I like to talk

WHY IS RETIREMENT READINESS IMPORTANT? | RESOURCES | TOP TOPICS | PROGRAM BASICS | Powered by Fidelity

**theta CORPORATION** resources

RETIREMENT PLANNING MADE EASY | FIND RESOURCES NOW | Learn about all of the available retirement planning resources

Single, no children  
My near-term savings goal is focused on...  
My learning style could best be described as...  
My professional life  
My comfort level with investing is...

WHY IS RETIREMENT READINESS IMPORTANT? | RESOURCES | TOP TOPICS | PROGRAM BASICS | Powered by Fidelity



# QUESTIONS?





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