YOUR RETIREMENT

Intelligent Solutions to Help You Grow and Protect Your Wealth

Prudential Financial

Growing and Protecting Your Wealth®
The urge to grow. The instinct to protect.

Together, these natural forces help us realize our full potential in life. That’s why, at Prudential Financial, growth and protection working together is the essence of the way we manage wealth. It’s what drives us in everything we do, from the products we create to the advice we deliver. And nowhere is this partnership more important than in planning for a long and secure retirement. Prudential Financial companies provide individuals, organizations and financial professionals with a broad range of intelligent retirement solutions—from mutual funds, annuities and life insurance to institutional retirement plans, long term care insurance and real estate. Trust Prudential to help you build wealth wisely, guard it against risk in all forms, and create lasting financial security in retirement. Growth and protection. Working together for your retirement. That’s our focus at Prudential Financial.

Contents

The Four Pillars of Retirement
Prudential Financial’s framework for discussing retirement issues ..................3

Retirement Plans
Growing assets at work ........................................................................................5

Mutual Funds
Institutional-quality asset management for individuals ........................................7

Life Insurance
Protecting your retirement against the unexpected ............................................9

Annuities
Making your wealth last throughout retirement ................................................11

Long-Term Care Insurance
Protection against an emerging risk ....................................................................13

Real Estate
Helping to create your ideal retirement lifestyle ................................................15

Contact Prudential Financial ..............................................................................18
Retirement as we once knew it has changed—pretty dramatically. Increases in life expectancy mean you have the chance to experience a longer, more vibrant, and more active retirement than any generation before. You could enjoy greater freedom and a wider range of options, from working part time to traveling to relocating closer to family. This is no rocking chair retirement.

Of course, there are also new challenges. How will you fund a retirement that could last 30 years—or more? How can you protect your nest egg against emerging risks like the need for long-term care? How can you generate a regular “paycheck” that will allow you to live comfortably in retirement? These are just a few of the questions you’ll face as you prepare to make the most of your retirement.

At Prudential Financial, we want to help. Inside this guide, you’ll learn more about our approach to planning for retirement, as well as the products and services that can help you reach your retirement goals.
The Four Pillars of Retirement

How do all the pieces of your retirement picture fit together? How should they? At Prudential Financial, we’ve developed a simple framework—we call it the Four Pillars of Retirement—for discussing how to prepare for and live in retirement.

Prudential’s Four Pillars of Retirement:

**SOCIAL SECURITY**, the government program that provides retirement benefits as well as survivor and disability benefits.

**EMPLOYMENT-BASED PLANS**, including both traditional pensions and defined contribution plans like 401(k)s.

**PERSONAL SAVINGS**, ranging from IRAs and mutual funds to annuities, individual securities and bank deposits.

**RETIREMENT CHOICES**, about issues ranging from generating or protecting income to making lifestyle choices.

Creating lasting financial security in retirement means managing all four of these areas in a holistic approach to saving and planning. Let’s look at each of the Pillars in more detail.

**Social Security**
Long a bedrock of retirement income, Social Security currently replaces, on average, about 40% of income for retirees.

**PERCENTAGE OF PERSONAL INCOME REPRESENTED BY SOCIAL SECURITY**

For most recipients, Social Security accounts for less than half of income in retirement.

However, the current national discussion on Social Security has heightened awareness of the need to become more self-reliant for retirement income, and to consider sources over which we have more direct control. Bottom line: While Social Security benefits will probably comprise a portion of your income in retirement, you’ll likely be more personally responsible for retirement security than past generations have been.
Employment-Based Plans

One of the easiest ways for most Americans to save for retirement is through their employer. The types of retirement plans offered by employers have gradually shifted over the past 20 years from traditional pension or “defined benefit” plans to defined contribution plans—which many people today know by names like 401(k), 403(b) and 457 plans.

401(k) and other tax-advantaged, employer-based plans have helped to revolutionize the way Americans save for the future. However, the trend away from traditional pensions also means that fewer workers now can count on a guaranteed stream of retirement income. For many, achieving long-term retirement security will mean taking action beyond government and employer sources.

THE RISE OF DEFINED CONTRIBUTION PLANS

Growth of assets in defined contribution plans is far outpacing that of defined benefit “traditional pension” plans.

Personal Savings

With the need for self-reliance in retirement planning growing more apparent, personal savings has become an increasingly important component of retirement security. Investing on your own, or with the guidance of a qualified financial professional, can be critical to building enough wealth to retire—and turning those assets into lasting income.

Individual Retirement Accounts (IRAs), for example, provide a source of tax-deferred growth potential beyond employer plans. As for making wealth last, annuities are one of the few ways (beyond Social Security and pension plans) to receive guaranteed income payments throughout retirement. And mutual funds, stocks, bonds and other investments offer wide-ranging opportunities for building and sustaining wealth over the long term.

Retirement Choices

Longer retirements. Rising healthcare costs. The decreased availability of pensions. Combined, these trends have created the need for fresh considerations and choices about both financial security and lifestyle.

Today, longevity risks mean an increased need to consider protecting retirement savings through vehicles like life insurance and long-term care insurance. Plus, individuals planning for retirement will need to weigh the benefits of working in retirement, downsizing their home, and other potential scenarios.

EXPECTATION OF RELOCATION IN RETIREMENT

1st 10 Years After Retirement

Move to a smaller house 46%
Move to a lower cost of living area 42%


Keep the “Four Pillars” framework in mind as you explore the retirement challenges and solutions presented throughout this guide.
GROWTH AND PROTECTION.
THE STRONG AND STEADY APPROACH TO RETIREMENT.

THE STRENGTH OF PRUDENTIAL RETIREMENT

For more than 75 years, Prudential has been a leader in retirement plans. Today, Prudential Retirement helps more than 3 million individuals in more than 6,000 institutions grow and protect wealth through every stage of retirement planning, from accumulating assets to managing income in retirement.

We provide customized, award-winning education and communication programs to help participants learn more, stay informed, and make smart decisions about their retirement savings.

Growth and protection. It’s how Prudential helps plan participants everywhere build a stronger retirement.
How can I help build retirement assets at work?

Retirement plans from Prudential make the most of saving through the workplace.

Today, millions of Americans rely on workplace programs to save for retirement. In fact, most plan participants now expect these plans to account for more than half of their total retirement income. As we continue to assume more and more responsibility for our own retirement security, these programs will take on even greater importance.

At Prudential Retirement, we help participants grow retirement savings with defined contribution programs like 401(k), 403(b) and 457 plans; traditional pension or defined benefit plans; and non-qualified plans that let participants defer compensation and taxes.

Prudential develops retirement plan solutions for a broad spectrum of organizations, including corporations of all sizes, non-profits, governments, and unions. And of course, the millions of small businesses that are the lifeblood of our economy.

MAXIMIZE YOUR RETIREMENT PLAN

Participating in a workplace retirement plan? Be sure to make the most of this important savings opportunity.

► Consider contributing the maximum your plan allows. That way, more of your money is invested tax-deferred.

► Find out about matching contributions. It’s essentially free money. Know what it takes to earn it, how much your company offers, and whether it’s made in cash or stock.

► Create an asset allocation that works. Talk to a professional to design a mix of investments that’s right for you. Or, find out if your plan has an automatic asset allocation program.

► Know your plan! Stay on top of new rules and fund choices, know when you can take distributions, and be aware of withdrawal penalties and tax implications.

In charge of choosing a retirement plan for your organization? Talk to Prudential. Whether it’s 50,000 participants or five, with Prudential Retirement you’ll get a plan that’s custom made for your organization. Not an off-the-shelf, cookie-cutter solution. We make sure everything about your program is tailored to your needs from plan investment options to participant communication materials. Plus, Prudential provides co-fiduciary support to help you meet critical regulatory and compliance obligations—freeing you to think about more important business concerns.
GROWTH AND PROTECTION.
A STRATEGY TO HELP YOU THRIVE IN ANY ENVIRONMENT.

MUTUAL FUNDS AND YOUR RETIREMENT INCOME
As you prepare to enter retirement, it’s a good time to work with a financial professional to review your entire investment portfolio, including mutual funds and other available assets.

Talk to your financial professional to address questions like:

▶ How much should I continue investing for growth?
▶ How much of my portfolio should be in income-yielding funds?
▶ When should I begin to take withdrawals?
▶ How can I avoid taxes and penalties?
▶ Am I being too aggressive or too conservative?
How can I grow my nest egg beyond my 401(k) plan?

Prudential’s mutual fund families: Institutional-quality asset management for individuals.

For most people, growing wealth for retirement means going beyond company-sponsored retirement plans to assemble a diversified portfolio of investments. Mutual funds provide an easy way to participate in the stock market—through both IRAs and taxable accounts—while intelligently managing risk and reward.

At Prudential Financial, we offer two unique fund families to help you grow wealth. Each has a distinct investing philosophy. However, both give individual investors access to professional asset managers known and respected by major corporations and pension funds around the world.

Both fund families are easy to access. JennisonDryden and Strategic Partners mutual funds are available through Prudential professionals as well as many major broker/dealers, independent financial professionals and other financial institutions.

JennisonDryden® Mutual Funds

JennisonDryden Mutual Funds are managed by Prudential’s own specialized asset managers and offer a diverse selection of equity, fixed income, and asset allocation portfolios. With a unique combination of experienced investment talent, strong research expertise, sophisticated risk management and strict investment discipline, JennisonDryden seeks to deliver superior long-term performance.

Strategic Partners Mutual Funds

Strategic Partners Mutual Funds offer investors leading managers from across the investment industry. Prudential’s team of experienced researchers and investment analysts applies a rigorous and disciplined evaluation process that has been refined over three decades to select and monitor fund managers. The firms selected to support Strategic Partners must earn their place. We’ll replace managers who don’t meet our strict standards for performance.

Looking to roll over your retirement plan assets?

If you’re changing jobs or transitioning to retirement, talk to your financial professional about funding a Rollover IRA with JennisonDryden or Strategic Partners mutual funds. By directly rolling over retirement plan assets—instead of taking a lump sum payout—you can maintain control over your savings, avoid penalties and current taxes, and keep your dollars invested tax-deferred.

Your Rollover IRA gives you more control and more choice. If you’re looking for a simple way to achieve diversification, consider an asset allocation fund. With a single fund, you get a pre-allocated portfolio that matches your risk tolerance. Your portfolio automatically rebalances to help you stay on track.

For more information about JennisonDryden and Strategic Partners mutual funds, contact your financial professional for a prospectus. You should consider the investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other important information about the fund. Read it carefully before investing.
GROWTH AND PROTECTION.
IT’S THE INTELLIGENT WAY TO SECURE YOUR RETIREMENT DREAMS.

REVIEW YOUR LIFE INSURANCE PLAN
As you prepare to enter retirement, it’s a good time to review your life insurance coverage with a financial professional. Together you’ll explore concerns like:

- Is my insurance coverage still appropriate for my needs?
- Do I have the right amount of coverage to protect my family?
- Are my proceeds protected against estate taxes?
- Is my business protected for the future?
Will my family be protected if something unexpected happens?

Life insurance from Prudential could be the missing piece in your retirement plan.

From helping to secure retirement dreams to funding an estate plan, life insurance can help you protect the wealth you’re working hard to grow. If you haven’t considered all the ways life insurance fits into your overall retirement picture, your plan may not be as complete as you think.

Life insurance can help protect your family if something happens to you…
With life insurance from Prudential in your retirement plan, you can help your spouse enjoy the retirement lifestyle you’ve both envisioned. Death benefits can also help prevent against the risk of outliving assets by filling the retirement income gap that surviving spouses—especially females—often face.

…Or help you fund a long retirement if you don’t need the death benefit.
The good news is that people are living longer these days. The bad news is that not enough people have planned for the financial reality of a retirement that could last 30 years. But life insurance also has important benefits you can tap while you’re living. Although the primary reason to purchase an insurance policy is for the death benefit, the cash value in a life insurance policy can provide income in retirement to supplement your savings and other sources. Withdrawals and loans will reduce the death benefit and policy cash value and may have tax consequences.

Life insurance from Prudential can also play a key role in estate and business planning. The death benefit from your policy can help provide the liquidity your heirs need to pay estate and other taxes. If you own a business, life insurance can be a valuable part of your business continuation strategy. Your policy’s benefits can help fund an agreement to transfer ownership, ensuring a smooth succession.

Our insurance products are available through a variety of channels. You can find our products for individuals through Prudential professionals and many bank investment representatives, brokerage firm investment professionals and independent financial planners.

KEY DIFFERENCES BETWEEN TERM AND PERMANENT LIFE INSURANCE

<table>
<thead>
<tr>
<th>Term life insurance</th>
<th>Permanent life insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection for a limited period</td>
<td>Lifetime protection</td>
</tr>
<tr>
<td>Provides death benefit only</td>
<td>Provides death benefit + potential cash value accumulation</td>
</tr>
<tr>
<td>Usually offers guaranteed level premiums for a specific period</td>
<td>Premiums usually level or increase at scheduled intervals; payments flexible under certain policies</td>
</tr>
</tbody>
</table>

Life insurance policies contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Contact your financial professional for costs and complete details.
IT'S A COMFORTABLE FEELING.
KNOWING YOU HAVE GUARANTEED INCOME THROUGHOUT RETIREMENT.

FOUR PILLARS FACTS
HOW LONG WILL RETIREMENT LAST?
Chances are good that you will live long enough to spend 20 or even 30 years in retirement. That’s a long time to maintain your lifestyle and meet any unexpected expenses—without receiving a paycheck.

Source: Social Security Administration, 2000 Trustees Report.
How can I make my wealth last throughout my retirement?

Annuities from Prudential help guarantee income in retirement.

Generating a lifetime retirement “paycheck” is becoming a primary goal for Americans approaching and living in retirement today. But with Social Security and traditional pensions comprising a smaller piece of the pie, many people may be unprepared to make their wealth last as long as their retirement.

Today’s annuities offer unique benefits and guarantees. In basic terms, an annuity is a contract between you and an insurance company. With a variable annuity, you invest your money by choosing among a range of investment options. Your earnings grow tax-deferred until you withdraw them. Keep in mind that withdrawals of taxable amounts are subject to ordinary income tax and a 10% federal income tax penalty may apply prior to age 59½.

At retirement, you can convert the value of your annuity into a payment or a guaranteed stream of lifetime payments. With all annuities, any guarantees are subject to the claims-paying ability of the issuing company.

An annuity can close your “income gap.” An annuity can help provide the “paycheck” you’ll need to live comfortably in retirement—an income that Social Security benefits and other sources might not adequately provide. With regular, guaranteed lifetime income, you can help minimize the risk of outliving your assets in retirement.

Ask your financial professional about annuities from Prudential. Our annuity products are available through a wide variety of financial professionals, including many brokerage firm investment professionals, bank investment representatives, and independent financial planners. And of course, through Prudential professionals everywhere. Talk to your advisor to learn how our solutions can fit into your retirement income planning strategy.

Near-retirees’ most important focus at present time

NEAR-RETIREES AREN’T CONCERNED ENOUGH ABOUT CREATING RETIREMENT INCOME

<table>
<thead>
<tr>
<th>Focus</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to build nest egg</td>
<td>41%</td>
</tr>
<tr>
<td>Preserve and protect savings</td>
<td>23%</td>
</tr>
<tr>
<td>Achieve better returns</td>
<td>21%</td>
</tr>
<tr>
<td>Generate retirement income</td>
<td>15%</td>
</tr>
</tbody>
</table>


Annuities have limitations, withdrawal charges and terms for keeping them in force. Contact your financial professional for costs and complete details.

For more information about variable annuities contact your financial professional for a prospectus. You should consider the contract and the underlying funds’ investment objectives, risks, charges and expenses carefully before investing. Both the contract prospectus and the underlying prospectuses contain this and other important information. You should read them carefully before purchasing a contract.
THE NEST EGG YOU’RE BUILDING IS PROTECTED.
THAT’S ONE GREAT RETIREMENT STORY.

FOUR PILLARS FACTS

LTC: A CRITICAL ISSUE FOR WOMEN

Recent studies have shown that more than 65% of the elderly receiving home health care and 75% of today’s nursing home residents are women. That’s not surprising when you consider that women generally outlive men by an average of seven years. The reality is, many women will need to finance—on their own—longer periods of care. Despite the fact that more than half of all women who survive to age 65 will spend time in a nursing home before they die, only 13% currently have long-term care insurance for their future financial protection.

Does the need for long-term care pose a threat to my retirement savings?

Long-term care insurance can help protect your nest egg.

Americans’ life expectancy after age 65 is now at about 18 years. Living longer, however, can mean a greater chance of needing long-term care due to chronic health conditions. For millions of individuals planning for retirement, long-term care costs may pose a threat to a lifetime of savings.

Expenses for long-term care services in America today can be staggering. A year in a nursing home can now cost more than $60,000 and the average price tag of three weekly visits from a home health aide is more than $1,700 a month. Pay out of pocket at those rates, and your nest egg could be depleted quickly.

Other types of insurance don’t cover long-term care. The truth is, Medicare only pays for a fraction of America’s long-term care bill. To qualify for Medicaid, you have to spend down assets to the point of poverty. And health and disability coverage typically doesn’t extend to long-term care services.

Long-term care insurance does what no other form of insurance does. It pays for long-term care services you might need as you grow older and less self-sufficient. For many, it can be a practical and economical way to help protect retirement savings. Plan early, and it could be even more affordable.

Flexible long-term care coverage is designed to protect both your assets and your independence. You’ll have the freedom to choose where you’ll receive the care you need, and who will provide it. That can help ensure you’ll be able to stay with your family at home, instead of a nursing home. And that the retirement you’re working hard to build remains secure.


WHO PAYS THE LONG-TERM CARE BILL?

- 15% Medicare
- 4% Private long-term care insurance
- 37% Medicaid
- 41% Out-of-pocket expenses
- 3% Other government programs


SMART MOVES IN RETIREMENT.
MAKING THE MOST OF ONE OF YOUR MOST VALUABLE ASSETS.

FIND YOUR PERFECT HOME ONLINE
Visit Prudential Real Estate at Prudential.com for tools and technology that make buying or selling a home easier than ever.

- Over 1 million online listings across the U.S.
- Neighborhood finder
- Online home tours
- Guides for buyers and sellers
- Listing Alerts
- Complete property information
- Advice on moving
What’s my definition of retirement living?

Prudential Real Estate helps you create your ideal retirement lifestyle.

For many Americans, their homes represent their most valuable single asset. So it’s no surprise that important financial decisions centered around housing and real estate play a major role in creating a strategy for living in retirement.

“Where will I live?” is one of the first questions many people ask themselves when envisioning their retirement lifestyle. At Prudential, we can help clients answer that question by connecting them with the powerful resources of the Prudential Real Estate Network.

Prudential Real Estate, comprised of more than 1,800 offices and over 58,000 sales professionals, is one of North America’s largest full-service real estate franchise networks. Whether you’re considering “downsizing” to a smaller home in retirement, relocating to an area with a lower cost of living, purchasing a vacation or resort property in a favorite location, or using a real estate investment to generate income in retirement, our professionals can help.

THE REAL ESTATE AND RETIREMENT CONNECTION

Whether it’s accessing home equity, downsizing a home, or purchasing a new home for leisure or investment, real estate decisions play a key role in planning for retirement.

85% of Americans think the equity in their homes is the most dependable source of retirement income.

42% think they will move to areas with a lower cost of living.

46% think they are likely to move to a small home within the first 10 years of retirement.


Prudential Real Estate’s Resort Properties International was created just for you. Maybe you’re looking for a setting that matches the retirement lifestyle you’re planning—a beach property, a mountain retreat, a golf resort. Or maybe you’ve always dreamed of someday relocating permanently to a favorite family vacation spot. Your local Prudential Real Estate office can connect you with specialists in many of North America’s most desirable resort and recreation destinations.
A wealth of information, solutions, and tools to help you plan smarter for retirement.

Take an insightful look at the state of retirement today with groundbreaking Prudential Financial studies

- Download full reports or scan topline summaries
- Learn how to overcome today’s “Roadblocks to Retirement”
- Find out what it takes to turn your savings into income

Use calculators and interactive learning guides to get the answers you need

- Plug in your numbers with our Retirement Planning Calculator
- Compare IRA options
- Take a closer look at annuities, life insurance, estate planning and other topics
- Get free life insurance quotes

Get solutions, tips, and answers to common retirement questions

- Learn how to get your retirement plan started
- Find out how to catch up if you’re behind
- Discover strategies for protecting your assets and your family
- Learn the best ways to save for retirement through your workplace

Access helpful articles and video clips

- Five strategies to save on taxes in retirement
- Challenges women face in retirement
- Creating your retirement “paycheck”

PLUS:

Benefit from timely market commentaries, find your perfect home with an array of interactive tools, and locate a Prudential financial professional or request an appointment online.
Whether you’re an individual planning for your retirement, a financial professional looking for intelligent retirement solutions for your clients, or a representative of an institution or organization who’s in charge of retirement plans and other group benefits, find out more about Prudential Financial’s array of products and services.

For individuals planning for retirement
Locate a Prudential Financial professional in your area.
1-800-THE-ROCK ext. 4236  www.prudential.com

Prudential’s solutions for retirement are also available through a wide range of financial professionals, including many bank investment representatives, brokerage firm investment professionals, and independent financial planners.

For financial professionals
Learn more about offering products from Prudential to your clients.

For companies, institutions and associations
Learn how Prudential can design a plan for your organization.