Pension Change Fact Sheet

CENTER FOR RETIREMENT RESEARCH AT BOSTON COLLEGE

April 2007

Company Name: Fidelity Investments

U.S. Employees: 35,450

Type of Plan: Traditional Defined Benefit Plan — approximately 32,000 participants affected

Date Announced: March 28, 2007

Date Effective: May 31, 2007

Description of Change: *Termination*. Effective May 31, 2007, the defined benefit plan will be terminated so the company must pay out all benefits as soon as administratively feasible. All active participants will be immediately vested and will receive their accrued benefit in early 2008. At that time, they will have the option of rolling over the lump-sum benefit into their Profit Sharing Plan or taking an annuity.

Plan Solvency: The pension plan is fully funded to meet Fidelity's actual benefit obligations.

Reported Financial Implication: The financial implication of the termination is not public information.

New Arrangements for Employees: Fidelity will continue its Profit Sharing Plan with a company contribution of up to 10 percent of eligible compensation. In addition, Fidelity will increase its dollar-for-dollar match on employee contributions to 401(k) plans from 5 percent to 7 percent of the employee's salary. Finally, beginning in 2008, Fidelity will establish a new health savings credit to help workers save for future medical expenses incurred in retirement. The new credit will be $3,000 annually.

Background: Fidelity is the largest U.S. mutual fund company with revenues of over $12.9 billion. Fidelity offers more than 300 funds and serves more than 21 million investors.

References

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