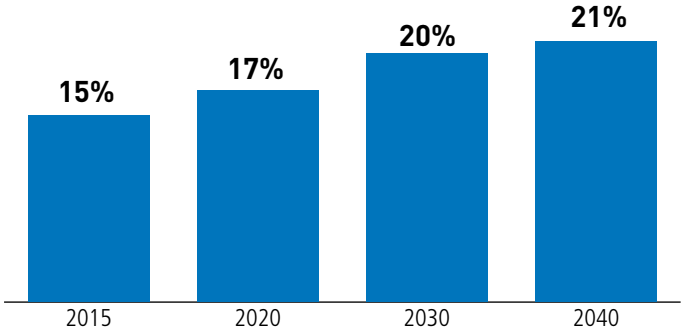
WILL YOUR BENEFITS BE THERE WHEN YOU NEED THEM?

When is an entitlement not an entitlement?

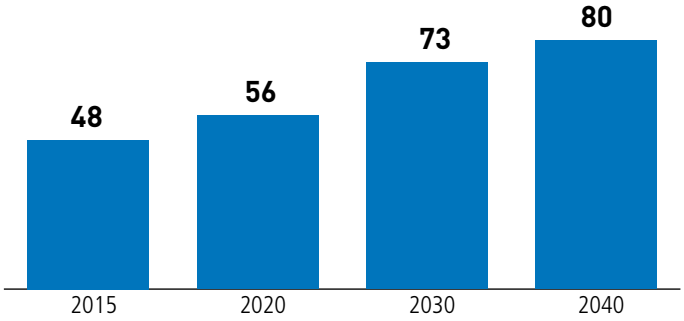
Entitlement programs such as Medicare and Social Security are facing cash deficits. As more people approach and actually reach eligible retirement age, this could impact your retirement planning. In a recent survey, 68% of today's work force and 47% of retirees say they are *not confident* that Social Security will continue to provide benefits of at least equal value to benefits received by retirees today. On the topic of Medicare, 60% of workers and 45% of retirees say they are *not confident* that benefits will last.[1]

According to the dictionary, an entitlement is a government program that guarantees and provides benefits to a particular group. But as the charts below illustrate, the benefits provided by our own government could be in question in the years to come.

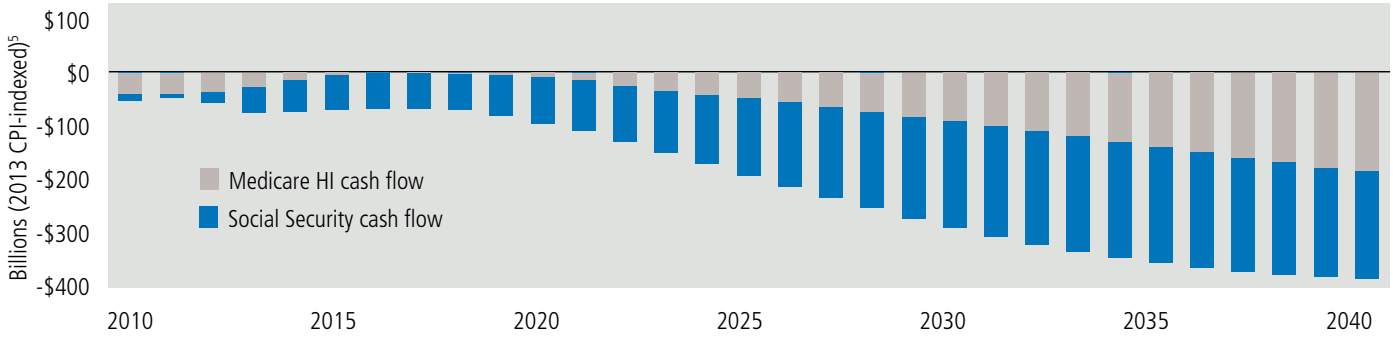
Percent of total resident population expected to be age 65 or over, by year[2]



Estimated number of people age 65 or over, by year (millions)[3]



Social Security and Medicare's Hospital Insurance trust funds cash flow[4]



Note: Projections based on the intermediate assumptions of the 2013 Trustees' Reports. The CPI is used to adjust from current to constant dollars.

What does this mean to you? As you plan for retirement, you need to consider your income needs and where your income will come from. Your financial advisor can help you determine what you need, your risk tolerance and your time frame and then help you decide which products and investments might best provide an opportunity for additional retirement income.

[1] Source: 2014 Retirement Confidence Survey, Employee Benefit Research Institute (EBRI) and Greenwald & Associates.
[2] Source: U.S. Census Bureau, Population Division, Table 3. Percent Distribution of the Projected Population by Selected Age Groups and Sex for the United States: 2015 to 2060, December 2012.
[3] Source: U.S. Census Bureau, Population Division, Table 2. Projections of the Population by Selected Age Groups and Sex for the United States: 2015 to 2060, December 2012.
[4] Source: The 2013 OASDI Trustees Report, Table VI.F9. OASDI and HI Annual Non-interest Income, Cost, and Balance in Current Dollars, Calendar Years 1970 – 2090.
[5] Source: The 2013 OASDI Trustees Report, Table VI.F6. Selected Economic Variables, Calendar Years 1970 – 2090.

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