

**United
Technologies**

**Financial Literacy and Education
Commission**

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UNITED TECHNOLOGIES CORP. (UTC)

Background

UTC Businesses:

- Otis – elevators, escalators and moving walkways
- Pratt & Whitney - aircraft engines
- Sikorsky - helicopters
- UTC Aerospace Systems - aircraft power, controls & sensing
- UTC Climate, Controls & Security - heating, air conditioning and refrigeration systems, building controls and automation, and fire and security solutions

- ✓ \$63 Billion in Sales in 2012
- ✓ 16th largest U.S. manufacturer
- ✓ 48th largest U.S. corporation
- ✓ 112th largest company in the world
- ✓ Over 200,000 employees worldwide
- ✓ \$22B U.S. Pension Plan
- ✓ \$19B U.S. Saving Plan



COMPANIES CARE ABOUT EMPLOYEE SAVINGS

- Attract & Retain
 - Attractive retirement benefit, retain talent
- Lower Risk than Traditional Pension Plan
 - Efficient retirement plan without impacting balance sheet
- Employee Transition into Retirement
 - Facilitates transition from active employment to retirement
- Employee Engagement
 - Increases engagement, well-being, financial confidence and benefit satisfaction

UTC FINANCIAL ADVICE TOOLS

Address Total Finances

- Spending
- Budgeting
- Emergency Savings
- Retirement
- Healthcare

Personalize Investment Strategies

- Retirement goals
- Retirement income projection
- Savings rate recommendation
- Retirement age recommendation
- Personalized portfolio asset mix
- Retirement readiness forecasts
- Access to **Lifetime Income Solution** (Pension-like Benefit)

ACTION STEPS

Introduction Review Build Reserve Starter Fund Credit Card Emergency Fund **Health** Retirement Insurance Mortgage

Additional Savings

Protect Your Health

Select Your Health Savings Amount

You'll use your monthly reserve to save toward this amount over time. (This is in addition to any existing paycheck deductions to your health accounts.)

\$6,000
Covers 50% of your annual deductible

\$12,000
Covers your annual deductible (recommended)

\$2,000
Covers your annual out of pocket max

Savings Needed	\$6,000
— bank	\$5,500
— HSA	\$1,200
Left to Save	\$0

[Continue: Set This Amount](#)

December Plan



Planned Income	\$6,600
— Reserve	\$325
— Savings	\$715
— Bills	\$3,934
— Regular Expenses	\$1,170
Leftover Income	\$456

Morningstar® Retirement Manager™

2 Review Your Strategy

Retirement Strategy Overview

Retirement Income Outlook

Annual Lump sum



Outlook	Current	Proposed
Outlook	\$31,182/yr	\$48,750/yr
Goal (\$45,000/yr)	\$3,815/yr below goal	\$3,750/yr above goal

Edit Income goal
Edit Income outlook
Learn how program fees can affect your projections
Your potential Retirement Plus balance at retirement

Your Retirement Income Goal is the minimum amount of income we project you will need to meet your expenses during retirement. It is calculated by taking 70% of your projected salary at retirement. Your Retirement Income Outlook incorporates our projections for your investment growth, as well as any income you may derive from Social Security or a pension. Please note that your proposed outlook is not guaranteed and, therefore, your actual experience may differ.

Savings Rate

Balance in Company Stock

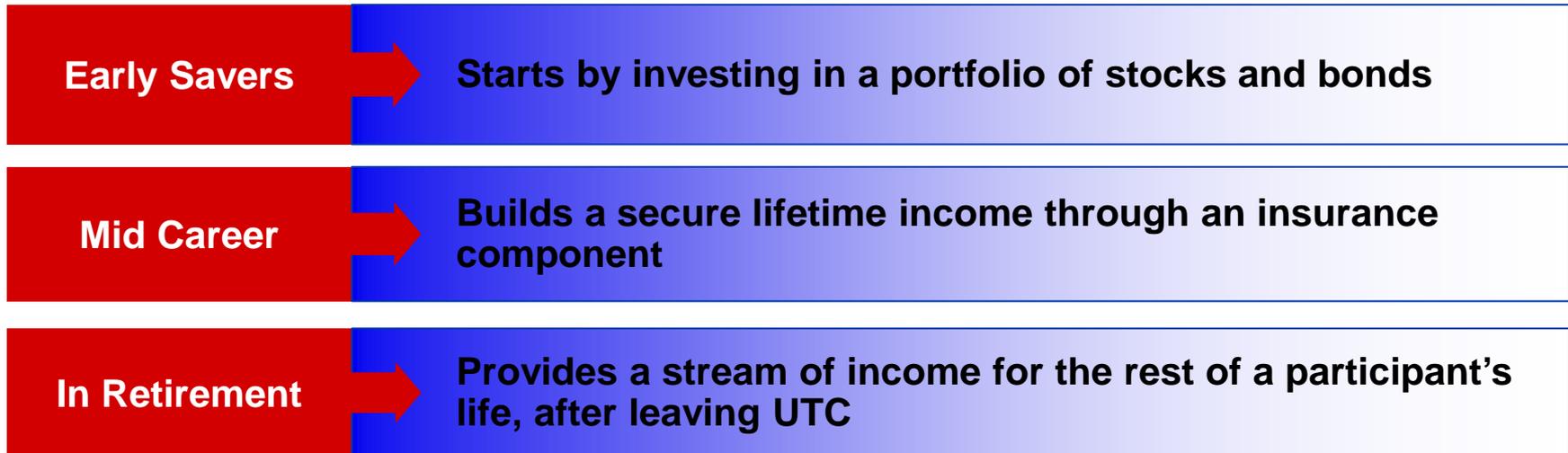
Asset Mix/Risk Level

Investment Selections

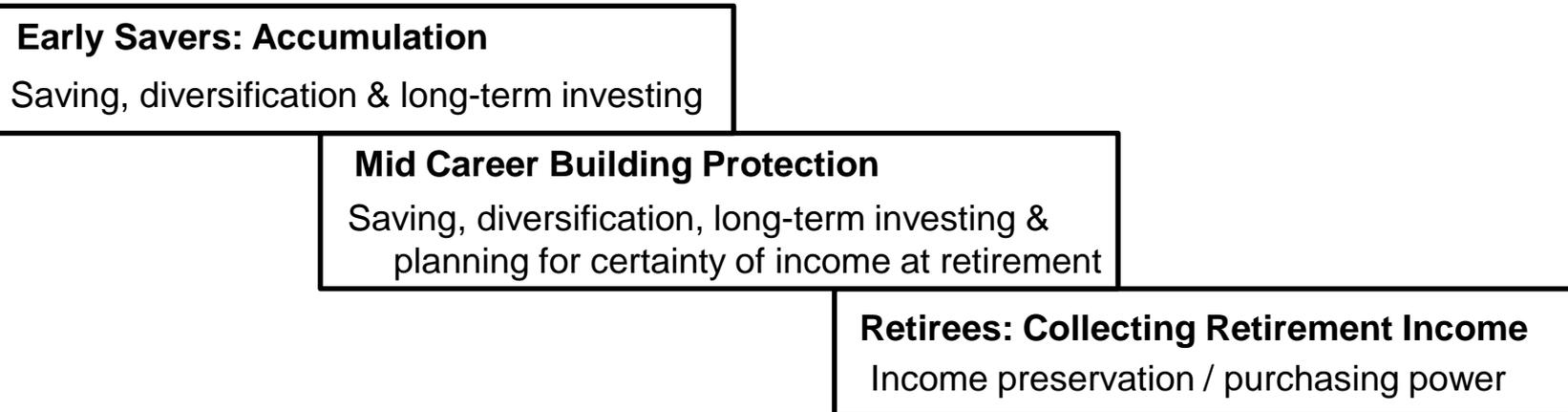
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UTC'S LIFETIME INCOME SOLUTION

Starting Retirement Savings at an Early Age



Life Cycle Based Recommendations



WHAT REALLY WORKS

Comprehensive Financial Education

- ✓ Debt Management
- ✓ Emergency Savings
- ✓ Budgeting
- ✓ Taxes
- ✓ Health Care Costs
- ✓ Insurance
- ✓ Setting Goals
- ✓ **Saving for Retirement**

Behavior

- ✓ Participate at an Early Age
- ✓ Contribute Maximum ASAP
- ✓ Diversify

Auto Everything

- ✓ Auto-enrolling
- ✓ Auto-defaulting
- ✓ Auto-escalating
- ✓ Auto-re-enrolling

BEST PRACTICES

- ✓ Comprehensive financial education
- ✓ Simple, low cost, flexible savings plan design
- ✓ Life stage segmented workshops, focus groups, lunch & learn seminars, videos and webinars
- ✓ Financial education through work life programs
- ✓ One-on-one coaching
- ✓ Mandatory annual financial literacy training
- ✓ Retirement planning linked with medical benefit enrolling
- ✓ Flexible financial advice tools – IPAD, iPhone, Android
- ✓ Dashboards showing income replacement and messaging if not on track
- ✓ Pushed suggested financial education sessions out to employees