Principal®

Key employee retention and retirement

Key employee benefits can be your key to success.

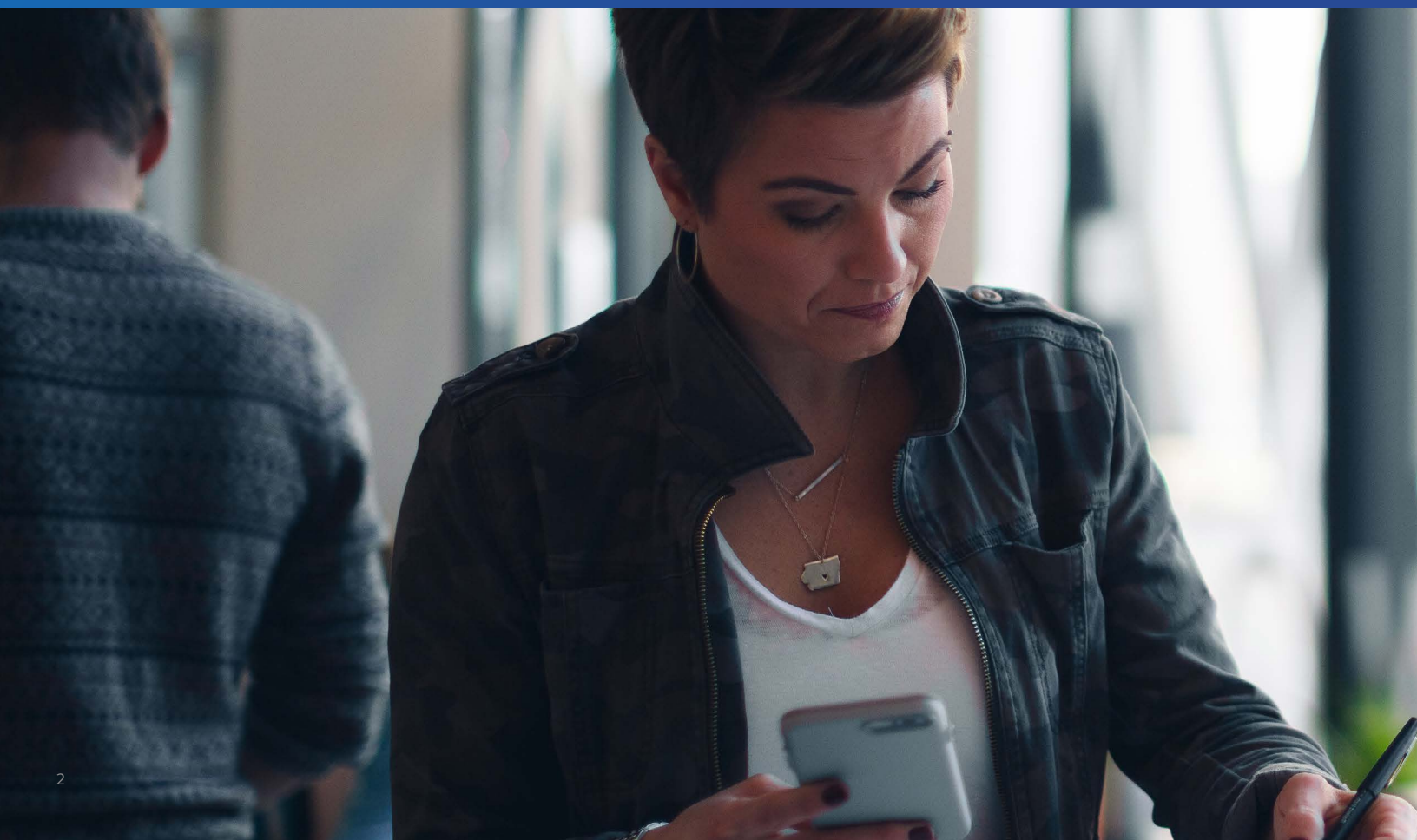
The right benefits can make all the difference.

Take a moment to think about the success of your business. How much of that success is related to your employees? Chances are, you have select key employees that play important roles in your organization. Where would you be without them?

Having the right tools to recruit, reward, retain, and retire those key employees can make a noticeable difference. Key employee benefits can play a big role in helping you by helping them. These plans can provide significant advantages—like helping them make up for benefits lost due to limitations on qualified retirement plans and Social Security. The result? More engaged and loyal employees and a great recruiting tool, too.

Will your key employees be able to save enough money for retirement with the current benefits you have in place?

Do your competitors offer benefits that might draw valuable employees away from your organization?



The benefits

Could key employee benefits really have an impact?

Yes. Specifically, these plans help you:

Recruit

Attract top talent as part of a competitive benefits package.

Reward

Provide performance-based contributions to achieve organizational goals.

Retain

Encourage loyalty by helping to secure financial futures.

Retire

Offer additional savings and long-term income diversification options.

Tailored for your needs

No one solution is right for everyone. Different organizations and owners have different needs. And, your benefits package should reflect that. You or your key employees may need help with retirement income. Or, perhaps right now you're more interested in keeping key employees from going to a competitor. No matter your focus, we're here to help you design the solutions that can help you meet your specific goals.

You benefit from a company that knows business.

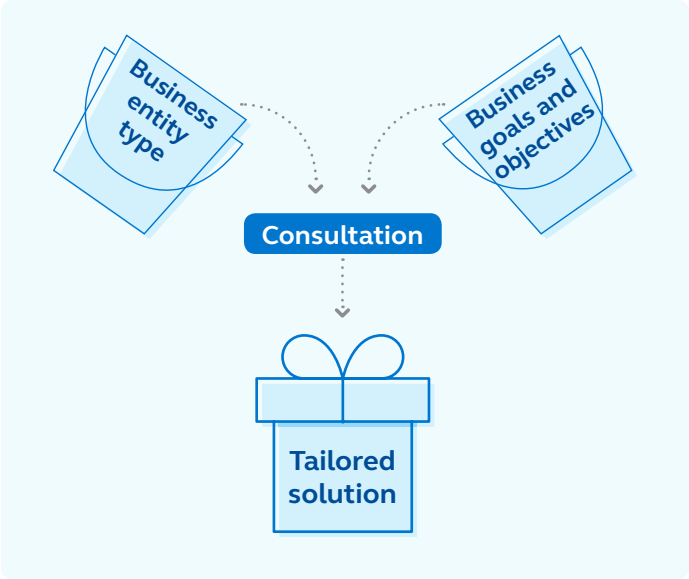
There's a fair amount to think about when you're designing and implementing a plan. Which plan fits your needs? How will you pay for it? How will you administer it? We walk you through all of that. And we're not just here now, but throughout the lifetime of your plan.

While the plan itself is a core part of your key employee benefits solution, there's so much more to consider. To make it as effective as it can be, consider the total package—**solutions, experience, and service**. When you work with Principal®, you get all of this in one place.

Solutions

It all starts with the right plan. You'll want a plan that fits your business type and overall goals. Then, it's important to have funding options that are designed for your specific business needs.

It doesn't matter if your organization is for-profit or tax-exempt, Principal offers multiple, unique solutions designed for all types of businesses. Each plan is structured to achieve the unique goals of the plan sponsor. Some offer tax benefits for your business, others for the participant. Others may allow for participant deferrals, discretionary employer contributions, or both.



Expertise

There's a lot to consider when designing and implementing an effective key employee benefits plan. That's why it's helpful to work with a provider that has the expertise and experience to understand how to turn your objectives into a successful plan, all while watching out for your bottom line. Over decades, we've worked with tens of thousands of businesses. And every day, we'll put that experience to work for you.

Consultation. Our team of business solutions professionals, including attorneys, CPAs, and case design specialists, will work with your financial professional to help you find the right solution for your business. Working together, we'll identify the many factors that influence your plan's design and success.

These factors include:

- Who can **participate** in the plan?
- Who can **contribute** to the plan?
- How will the plan be **financed**?
- What are the **vesting options**?
- When will **benefits** be paid?
- Is your focus on **employee retention**?

Financing. What's the best financing strategy for your business and your plan? Life insurance, taxable investments, or something else? To help you weigh your options, Principal creates financial models based on your organization's assumptions. They also consider the impact to cash-flow and taxation when comparing various financing techniques. And, throughout the life of your plan, periodic plan status and strategy reviews are available to assess financing status relative to your goals.

Administrative services. You don't have to take care of the ongoing management of your plan all by yourself. Lean on the experience of our case design specialists and administrators to be there throughout the life of your plan. We keep track of legislative changes that might impact your plan, as well as consult with you on any other plan adjustments that may be needed as your objectives evolve.

This is what we do every day, and we've learned a few things along the way. Some organizations look like yours, while others are different. But, our service matches your specific plan's design.

Service

You don't want administration of your plan to take time and attention away from focusing on your business. That's why exceptional service and support are essential. When you have a plan from Principal, we focus on the plan details so you don't have to. Our robust administrative services help ensure that the initial and ongoing needs of your plan are met.

Dedicated administrators personally assist you with the day-to-day aspects of your plan.

- Plan implementation/new enrollments
- Online access—for both employers and plan participants
- List billing/periodic premium payments
- Ongoing policy administration and service
- Annual plan-level reporting
- Plan status and strategy review
- Plan participant education—for the more robust plan designs that may require a little extra help explaining the benefits

A lot rests on the success of your business.

Your business provides financial well-being to you and your employees. That's why Principal wants to help you protect it. Whether you want to grow your business, provide benefits to your key employees, or prepare for the unexpected, we can help you find the right solution to any challenge.

Protect your business. Plan for the future with buy-sell and business-transfer strategies for closely held companies, key employee benefits, and key person protection.

Protect your employees. Recruit and retain good people with key employee benefits, qualified retirement plans, and group benefits.

Protect your lifestyle. Maintain your family's current standard of living with life insurance and disability income insurance, and help meet lifetime objectives through legacy and estate planning.

Let’s get started.

As you think about establishing or enhancing a key employee benefit plan, here’s our commitment to you:

We’ll listen. We need to better understand the unique needs of you, your business, and your key employees in order to present you with appropriate options.

We’ll provide consulting experience. Our team of professionals will be with you throughout all phases of the process—plan design, financing options, and administrative services. The decisions you make can help you maximize the benefits you provide, so we want you to have all the information you need.

We’ll deliver a tailored solution. Plan design and administrative services should fit your needs—both today and tomorrow. Goals and objectives can change, and so can regulations. That’s why we’ll periodically review your plan design and financing options to make sure everything is still in check.

We’re ready to work with you and your financial professional today. Together, we can create or enhance a key employee benefit plan to match the needs of your organization and your top talent.

Your goals, our purpose

No matter what's important to you, your financial professional and Principal are here to help you identify and implement solutions that are right for you, your business, and your employees. We've been administering business cases for more than 30 years and make it a priority to understand where you want to be and how you plan to get there. This means you'll get experience and innovative ideas when you need them to help make your financial progress possible.

Strength you can depend on

A member of the FORTUNE 500®, we have $635 billion in total assets under management[1] and serve clients worldwide of all income and portfolio sizes.

Year after year we receive strong financial ratings from the four major rating agencies—A.M. Best Company, Moody's Investor Services, Standard & Poor's, and Fitch Ratings.[2]

No. 1 small-case business life insurance provider.[3]

No. 1 provider of nonqualified deferred compensation plans.[4]

Our innovative business solutions include more than 30 plan types and we provide administrative services for over 24,000 plans.[5]

[1] Principal® 2023 Company Profile, December 2022, https://secure02.principal.com/publicvsupply/GetFile?fm=DD730&ty=VOP&EXT=.VOP

[2] Third-party ratings relate only to Principal Life Insurance Company, the largest member company of the Principal Financial Group, and Principal National Life Insurance Company, and do not reflect any ratings actions or notices relating to the US life insurance sector generally. A high rating by a particular firm does not constitute an endorsement of the rated insurer by the ratings firm

[3] COLI/CSIO survey of participating life insurance carriers, IBIS Associates, Hamilton, VA, July 2022

[4] 2023 PLANSPONSOR Defined Contribution Plan Recordkeeping Survey, July 2023.

[5] As of March 2023.

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Not insured by any Federal government agency

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