Business owner retirement analysis

How ready are you for retirement?

Table of contents

Your business and retirement

You've spent a lot of time and effort building a successful business. So, you may not have given much thought to retirement. Now, it's time to take steps to make sure you're building a solid foundation. Your business can play a key role.

Depending on the value of your business and the strength of your transition plan, your business can generate income during retirement, just like it's done through your working years. It all starts with some careful planning.

Reviewing this personalized report is an important next step.

Your business owner retirement analysis from Principal® uses information you provided to develop a simplified starting point. It will help you begin creating a plan for your personal financial future. From here, we'll work with you and your tax and legal advisors to develop solutions that work best for you. We'll look at three planning categories designed to help you realize both your short and long-term planning goals:

Buy-sell and succession strategies

- Informal business valuation
- Buy-sell planning
- Buy-sell funding

Retirement income

- Retirement analysis
- Supplemental income
- Chronic illness protection

Business and income protection strategies

- Key person protection
- Business protection
- Income protection

Legacy and estate planning

- Wills and trusts
- Inheritance equalization
- Estate taxes
- Gifting techniques

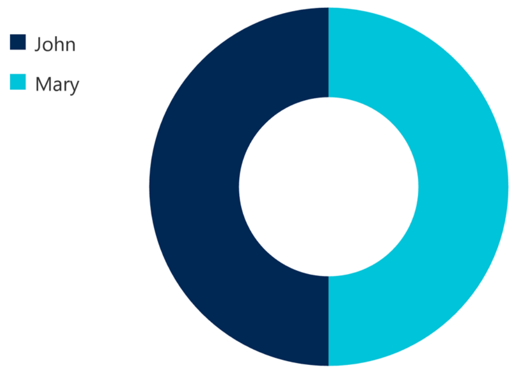
Know your value

Valuing a business

It's important to know the current value of your business so you know how much it can contribute to your retirement income goal. The company value may be different, depending on the buyer. For example, the value may differ between a third party, a co-owner, or a family member.

The informal valuation of your business

According to the information submitted, your business is estimated to have a value of $1,800,000.



Owner	Ownership %	Value today
John	50%	$900,000
Mary	50%	$900,000
Totals	**100%**	**$1,800,000**

To protect yourself, your family, and your business, it's important to determine exactly to whom, how, and when you want to transition your business. Identifying the buyer and determing a purchase price is critical for retirement planning as well as protecting your family in the event of an unplanned exit from the business.

First, ask yourself **who** and **how**.

Then, ask *when.* Make sure you consider both planned and unplanned exits from your business – such as death, disability, retirement, divorce, termination of employment, and dissolution of the business.

Comments and considerations

- Understand the value of your business and how this relates to your business succession goals.

Based on the information you provided:

- You intend to transfer your business in 10 years to a key employee using an installment note.
- You have protected your strategy with a buy-sell agreement funded with life insurance.

Buy-sell and succession strategies

Installment sale model

Oftentimes, family members, key employees, or successors don't have the resources to purchase the business outright. An installment sale can help facilitate the transaction, provide long-term income, and spread the capital gains tax burden over time.

How it works

The buyer makes a down payment, then using an installment note, the buyer pays the remaining amount based on a predetermined payment schedule of principal and interest. Life insurance is often purchased to insure both the buyer and seller, helping to protect the installment obligation in the event of an untimely death.

	Installment note			Cost to buyer		Net to seller			
Year	Beginning-of-year note value	Interest & principal payment	End-of-year note value	Pre-tax annual cost	After-tax annual cost	Annual proceeds	Personal income taxes	Capital gains taxes	Net proceeds to seller
0	$ -	$ -	$ -	$ 250,000	$ 384,615	$ 250,000	$ -	$ 35,714	$ 214,286
1	1,500,000	194,257	1,380,743	194,257	298,857	194,257	26,250	17,037	150,970
2	1,380,743	194,257	1,255,523	194,257	298,857	194,257	24,163	17,889	152,205
3	1,255,523	194,257	1,124,043	194,257	298,857	194,257	21,972	18,783	153,502
4	1,124,043	194,257	985,988	194,257	298,857	194,257	19,671	19,722	154,864
5	985,988	194,257	841,031	194,257	298,857	194,257	17,255	20,708	156,294
6	841,031	194,257	688,825	194,257	298,857	194,257	14,718	21,744	157,795
7	688,825	194,257	529,010	194,257	298,857	194,257	12,054	22,831	159,372
8	529,010	194,257	361,203	194,257	298,857	194,257	9,258	23,972	161,027
9	361,203	194,257	185,007	194,257	298,857	194,257	6,321	25,171	162,765
10	185,007	194,257	0	194,257	298,857	194,257	3,238	26,430	164,590

Assumptions:

Business value	$ 2,500,000	Seller's income tax rate	35%
Ownership interest to be sold	100%	Seller's capital gains rate	20%
Value of ownership interest	$ 2,500,000	Seller's basis	$ 500,000
Less minority discounts (example)	30%	Buyer's income tax rate	35%
Sales price	$ 1,750,000	Note term (years)	10
Down payment	$ 250,000	Note interest rate*	5%
Note value	$ 1,500,000		

* Work with your tax advisor to ensure note interest rates are consistent with current requirements.

Comments and considerations

- Consider the after-tax cost of buying the business on an installment basis.
- Consider protecting the sale with life insurance on both the buyer, and possibly the seller, as well.

Retirement income

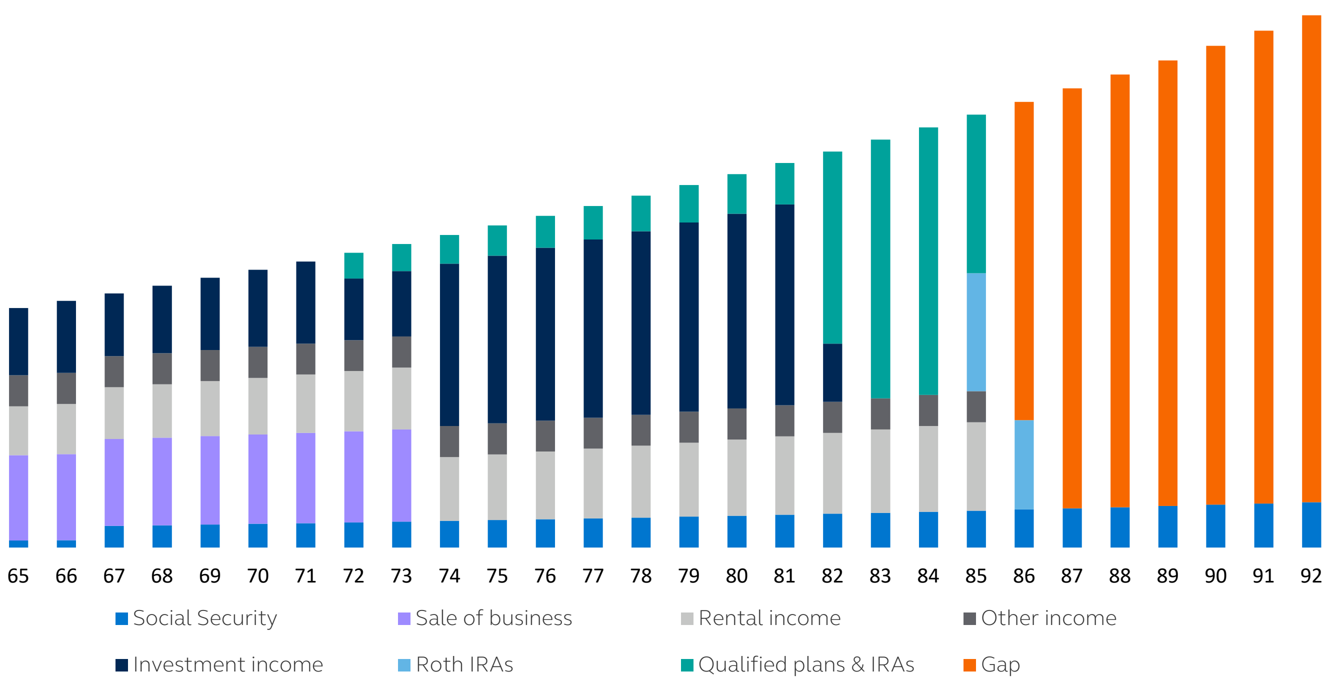
Business owner retirement analysis

Let's look at your retirement income potential with the proceeds from the sale of your business along with your other assets. Based on the information you provided, we've put together the following analysis[1]:

Assumptions

Current age	53	Qualified plans and taxable IRAs	$ 400,000
Spouse's age	51	Annual qualified plan contributions	$ 20,000
Retirement age	65	Roth IRA balance	$ 50,000
Mortality age	92	Annual Roth IRA contributions	$ -
Desired annual income	$ 300,000	Investment account balance	$ 700,000
Annual Social Security income	$ 36,000	Annual investment contributions	$ 20,000
Age to begin Social Security	67	Deferred compensation income	$ -
Spouse's Social Security income	$ 18,000	Other income	$ 85,000
Spouse's age to begin Social Security	65	Pre-retirement rate of return	7.0%
Rental income	$ 100,000	Inflation rate	3.0%
Business income	$ 300,000	Federal and State income tax rate	35%

Your potential retirement gap is: $1,254,991*



[1] Refer to the appendix for additional detail.

* This calculation is based on distributing your available assets in the most tax-efficient manner possible. Please see the Appendix for a year-by-year analysis of those distributions, by asset type.

Comments and considerations

- Based on the information you provided, you may not have enough savings and income-producing assets to support your retirement income goals.
- Consider qualified retirement plan and nonqualified plan options.
- Consider additional strategies for supplementing your income.

Retirement income

Supplemental retirement plan

Here are your primary options to cover any gap between what you have and what you'll need.

Work longer

This isn't an ideal option, but one to consider, nonetheless.

Increase the market value of your business

Consider activities that can help make your business worth more to cover the $1,254,991 gap (net of capital gains), such as reducing discretionary expeditures.

Save more

Implementing a nonqualified supplemental retirement plan may be a tax-efficient way to create additional retirement income. Contributing to an additional retirement income plan may help you meet your goals.

Bridge the gap with a supplemental retirement plan

Now that we've identified that there's a gap between what you have in place for retirement income and what you'll likely need, let's look at a possible soluiton.

A nonqualified supplemental retirement plan can be set up through your business to provide a potentially tax-advantaged way to supplement other retirement assets you may have.

How it works

- You select an amount to contribute on an after-tax basis.
- Contributions are used to fund a personally-owned asset that finances the plan. And company cash flow can be used to accomplish this.
- At retirement, you can access accumulated values in the plan to supplement your income.

Get the plan that's right for you

Your customized plan will be designed based on your personal, business, and plan objectives. And the design will determine specific benefits available. We'll help you sort through all the details and assist you in designing and implementing a plan that meets your specific needs. We'll consider:

- The structure of your business.
- Additional participants (employees or other owners) you may want to include in the plan.
- The effect the plan may have on your business transition strategy.
- The tax impact to you and the business during both accumulation and distribution phases.
- Plan financing preferences.

Retirement income

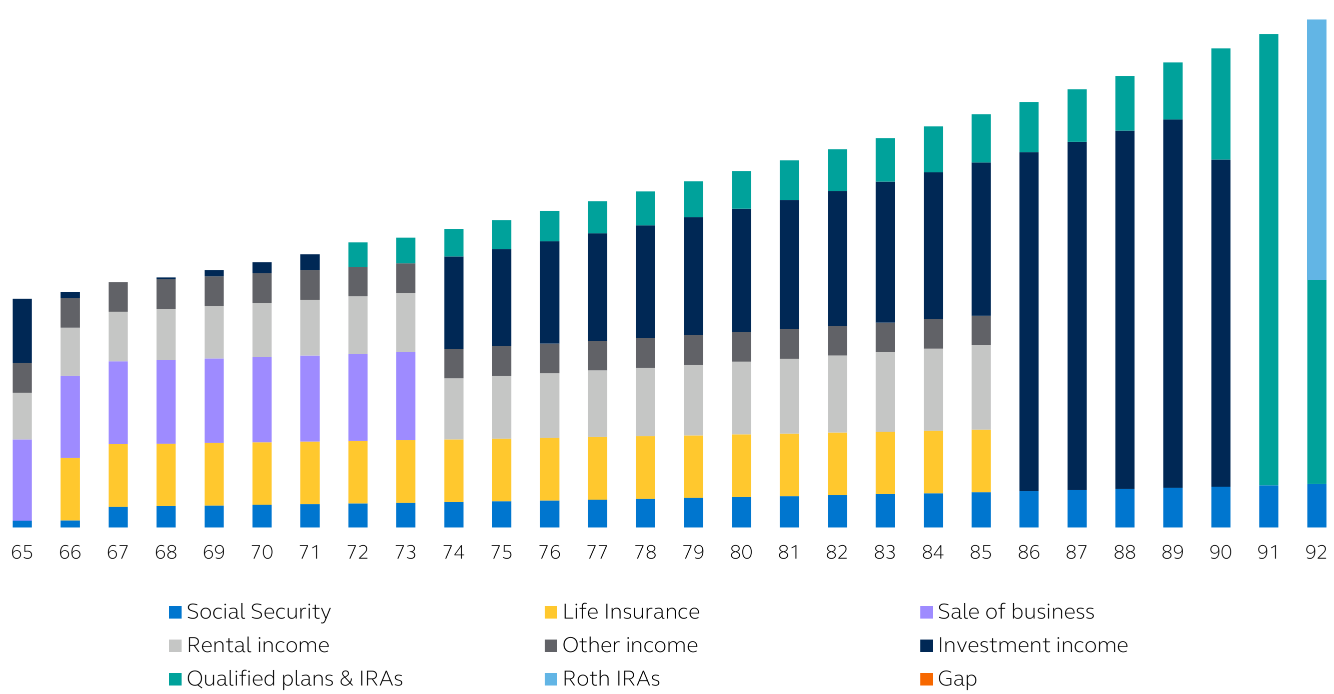
Business owner retirement analysis

Now, let's look at your retirement income potential with the proceeds from the sale of your business, supplemented with a nonqualified retirement plan to address your retirement gap. Based on the information you provided, we've put together the following analysis[1]:

Assumptions

Current age	53	Qualified plans and taxable IRAs	$ 400,000
Spouse's age	51	Annual qualified plan contributions	$ 20,000
Retirement age	65	Roth IRA balance	$ 50,000
Mortality age	92	Annual Roth IRA contributions	$ -
Desired annual income	$ 300,000	Investment account balance	$ 700,000
Annual Social Security income	$ 36,000	Annual investment contributions	$ 20,000
Age to begin Social Security	67	Deferred compensation income	$ -
Spouse's Social Security income	$ 18,000	Other income	$ 85,000
Spouse's age to begin Social Security	65	Pre-retirement rate of return	7.0%
Rental income	$ 100,000	Inflation rate	3.0%
Business income	$ 300,000	Federal and State income tax rate	35%
Life insurance premiums	**$ 79,250**	**Initial death benefit**	**$ 924,727**
Premium duration (in years)	**12**	**Life insurance withdrawals/loans**	**$ 117,000**

Your retirement objectives appear to be met



¹ Refer to the appendix for additional detail.

Comments and considerations

- Based on the information you provided, you may not have enough savings and income-producing assets to support your retirement income goals.
- Consider qualified retirement plan and nonqualified plan options.
- Consider additional strategies for supplementing your income.

Buy-sell and succession strategies

Buy-sell agreement

Now that we have taken a look at your retirement, your decisions about to whom, how, and when you want to transition your business should be documented in a buy-sell agreement that aligns with your goals. A well-funded and up-to-date buy-sell agreement is an essential planning tool to help enhance the stability, manage known transitions, and protect the financial value of your business from unplanned events. We can help guide you through the process, starting with a complimentary review of any buy-sell agreement.

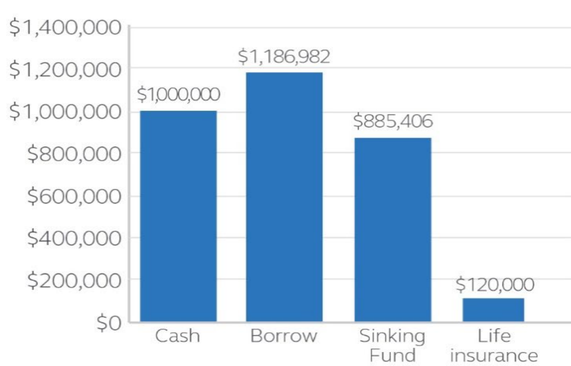
Help protect your business and your retirement

While most business owners believe planning for the transition of their business at death is key, a transition during their lifetime is much more likely. That's why it's important to plan how your business transition will impact your retirement. Life and disability buy-out insurance may be considered to fund your buy-sell agreement.

We can provide a sample for you and your attorney to use as a guide, as you design a properly funded buy-sell agreement that:

- Provides departing owners a market and price for an asset that might be hard to sell.
- Prevents an unqualified/undesirable individual from acquiring an interest in your business.
- Minimizes business disruptions at trigger events (e.g. death, divorce, or retirement).
- Offers assurances to employees, customers, suppliers, and creditors that the business will remain valuable through owner transitions.
- When funded with insurance, provides both the financing and the mechanism to help ensure that control of the business will remain with the current owners.

Hypothetical funding method cost at end of 15 years



Cash	$1,000,000
Borrow	Represents five equal annual payments of $200,000 plus interest at 6%.
Sinking Fund & cash	Sinking fund of $234,594 (annual deposits equal to the life insurance premiums growing at 8%) plus the balance necessary of $764,406.
Insurance	Life – $1,000,000 face amount. Estimated premiums of $8,000 for Male, 45, Preferred, Nontobacco, UL Flex III policy. Insurance premiums paid for 15 years. Not valid without accompanying insurance illustrations. See illustrations for important information.

Assumptions:

Cash: $1,000,000

Borrow: Represents five equal annual payments of $200,000 plus interest at 6%.

Cash & sinking fund: Sinking fund of $146,621 (annual deposits equal to the life insurance premiums growing at 8%) plus the balance necessary of $853,379 in cash.

Life insurance: Estimated premiums of $8,000 for Male, 45, Preferred, Non-tobacco, UL Flex III policy

Business and income protection strategies

Help protect your business, key employees, and lifestyle

As a business owner, you've probably had to deal with things you weren't expecting. With so much of your retirement income hinging on your business, it only makes sense to protect both you and your business from the unexpected.

Help ensure your biggest asset is protected

High performing employees are one of the biggest assets of a company. What impact would the loss of one have on your business? Our Business Owner Insights study shows that only 52% of owners have a business protection plan in place[1], leaving those without one exposed to risk.

Key person insurance can help. It's a simple, yet effective way to help ensure your business has the necessary funds to deal with the loss of a key employee through death or disability. Using cash-value life insurance (owned by the company) to fund a key person plan can also provide other benefits, including:

- Establishing a sinking fund for a down payment for a purchase occurring at retirement.
- Retaining and rewarding key employees, thus helping to protect the value of your company as you transition into retirement.

What if you became too sick or hurt to work?

How would you pay the utilities, lease/rent, or employees' salaries? Would you have to spend your hard-earned savings or your retirement assets to make ends meet?

Unexpected events don’t have to threaten your business, your current lifestyle, or your retirement security. Individual disability insurance solutions are available to help you throughout the period of your unexpected disability:

- **Disability income insurance.** Provides a monthly benefit that helps replace lost income to help you pay your personal bills and maintain your lifestyle.
- **Disability retirement protection.** Allows you to continue saving for retirement by investing benefits into an irrevocable trust.
- **Overhead expense insurance.** Reimburses you for fixed business expenses.
- **Business loan protection.** Covers the cost of business-related loans when attached as a rider on overhead expense insurance.

[1] The 2023 Principal Business Owner Insights survey is based on 1,000 online interviews conducted in January 2023 by Dynata.

Next steps:

Retirement income

Business owner retirement analysis

- Take full advantage of your qualified retirement plan (e.g. 401(k)) by maximizing your contributions.
- Put in place a nonqualified supplemental retirement plan for you and your key employees.
- Diversify your portfolio with a mix of investments including mutual funds, stocks, and bonds.
- Consider an annuity to provide an income stream you can't outlive.

Priority	Target date

Business income and protection strategies

Key person insurance

- Purchase key person coverage, financed with both life and disability insurance, on all owners and key employees.

Priority	Target date

Disability insurance

- Purchase overhead expense insurance and business loan protection coverage to protect your business.
- Protect your income and retirement by purchasing individual disability income insurance and disability retirement protection.

Buy-sell and succession strategies

Informal business valuation

- Understand your business value and how this relates to your business succession plans.

Priority	Target date

Buy-sell planning

- Document your transition plans and fully fund your agreement with life and disability buyout insurance.
- Explore whether a complimentary buy-sell agreement review from Principal is appropriate for you.

Your goals, our purpose

No matter what's important to you, Principal is here to help you and your financial professionals identify and implement solutions that may be right for your needs.

We help business owners protect and achieve their financial dreams through financial solutions that can help them live their best lives.

We work with people like you every day and make it a priority to understand where you want to be and help you plan to get there. This means you'll get expertise and innovative ideas when you need them to make your financial progress possible.

We're a leader in delivering solutions funded by life and disability insurance to help business owners protect their business, their employees, and their lifestyle. Our comprehensive product portfolio, paired with innnovative and flexible plan designs mean you get solutions tailored to your specific needs.

Work with a leader

- A member of the Fortune 500®, we serve more than 62 million customers[1] in more than 80 countries.
- 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 provider of small-case business life insurance.[3]
- No. 3 provider of non-cancelable individual disability income insurance.[4]
- No. 1 provider of nonqualified deferred compensation plans.[5]

[1] As of December 31, 2022.

[2] Our ratings reflect each rating agency's opinion of our financial strength, operating performance and ability to meet our obligations to policyholders and are not evaluations directed toward the protection of investors or reflect any ratings actions or notices relating to the US life insurance sector generally. Such ratings are neither a rating of securities nor a recommendation to buy, hold or sell any security, including our common stock. Ratings are subject to revision or withdrawal at any time by the assigning agency, and each rating should be evaluated independently of any other rating.

[3] 2022 corporate-owned life insurance (COLI)/corporate-sponsored individually owned (CSIO) survey of participating life insurance carriers, IBIS Associates, Hamilton, VA.

[4] LIMRA annualized new sales premium, December 2022.

[5] Based on total number of Section 409A plans, PLANSPONSOR Recordkeeping Survey, July 2022.

Appendix: your profile

You

Name	Date of birth	Number of remaining working years
John	01/01/1964	10
Mary	01/01/1964	10

Your children

Name	Date of birth	Spouse	Number of children	Notes
Child #1	01/01/1988	Spouse	3	
Child #2	01/01/1990	NA	0	
Child #3	01/01/1992	Spouse	2	
Child #4	01/01/1992	Spouse	2	

Your parents

Name	Date of birth	Living?	Number of children	Do they have an estate plan?
Mother	01/01/1940	Yes	3	Yes
Father	01/01/1940	Yes	3	Yes
Mother	01/01/1942	Yes	2	No
Father	01/01/1942	No	2	No

Summary information

Business name	Successor(s)	Entity type	Description
ABC Company	Child #1 and #4	S corp	Construction

Appendix: financial summary

Following is a summary of your financial position based on the information you provided:

Real estate	Owner		Value		Liabilities
Residence	Joint	$	750,000	$	-
Business building	Joint	$	500,000	$	-
Vacation home	Joint	$	-	$	-
		$	-	$	-
		$	-	$	-
		$	-	$	-
		$	-	$	-
	Subtotals	**$**	**1,250,000**	**$**	**-**

Business	Owner		Value		Liabilities
ABC Company	Joint	$	1,800,000	$	-
		$	-	$	-
		$	-	$	-
		$	-	$	-
	Subtotals	**$**	**1,800,000**	**$**	**-**

Other assets	Owner		Value		Liabilities
Personal property	Joint	$	100,000	$	-
Vehicles	Joint	$	50,000	$	-
Collectibles	Joint	$	-	$	-
Future inheritances	Joint	$	-	$	-
Other	Joint	$	-	$	-
		$	-	$	-
		$	-	$	-
		$	-	$	-
	Subtotals	**$**	**150,000**	**$**	**-**

This data is provided for informational purposes and is based on information you provided which may include assets that are not held by any member company of the Principal Financial Group®. Any assets not held by Principal Securities, Inc. may not be covered by SIPC. Refer to the financial statements you receive from your financial services provider(s) for information regarding SIPC membership.

Appendix: financial summary *(continued)*

Personal assets	Owner	Value	Annual contributions
Cash & equivalents	Joint	$ 100,000	$ -
Investments	Joint	$ 700,000	$ 20,000
Annuities - you	John	$ -	$ -
Annuities - spouse	Mary	$ -	$ -
Retirement plans - you	John	$ 200,000	$ 20,000
Retirement plans - spouse	Mary	$ 200,000	$ -
IRAs - you	John	$ -	$ -
IRAs - spouse	Mary	$ -	$ -
Roth IRAs - you	John	$ 50,000	$ -
Roth IRAs - spouse	Mary	$ -	$ -
Other	Joint	$ -	$ -
	Subtotals	**$ 1,250,000**	**$ 40,000**

Total **$ 4,450,000**

Income sources	Annual income	Age begins	Age ends
Wages (W-2, guaranteed payments)	$ 100,000	55	64
Wages - spouse	$ 100,000	55	64
Social Security - you	$ 36,000	67	92
Social Security - spouse	$ 18,000	65	92
Rental income	$ 100,000	55	85
Business income (K-1, dividends)	$ 300,000	55	64
Investment income	$ -	55	85
Pension income - you	$ -	65	85
Pension income - spouse	$ -	65	85
Deferred comp income - you	$ -	65	85
Deferred comp income - spouse	$ -	65	85
Other income	$ 85,000	65	85

Life insurance	Insured	Face amount	Owner	Beneficiary
		$ -		
		$ -		
		$ -		
		$ -		

Disability insurance	Insured	Benefit amount	Type	Elimination period
		$ -		
		$ -		

Appendix: retirement income sources - current plan

Client Age	Annual Need	Soc. Sec. & Pensions	Rental income	Business Income	Sale of Business	Qual Plans & IRAs	Invest Accounts	Def Comp & Other	Life Insurance	Gap
65	$ 427,728	$ 12,645	$ 87,355	$ -	$ 152,205	$ -	$ 120,273	$ 55,250	$ -	$ -
66	440,560	13,024	89,975	-	153,502	-	128,808	55,250	-	-
67	453,777	38,705	92,674	-	154,864	-	112,283	55,250	-	-
68	467,390	39,866	95,455	-	156,294	-	120,525	55,250	-	-
69	481,412	41,062	98,318	-	157,795	-	128,986	55,250	-	-
70	495,854	42,294	101,268	-	159,372	-	137,671	55,250	-	-
71	510,730	43,563	104,306	-	161,027	-	146,584	55,250	-	-
72	526,052	44,870	107,435	-	162,765	91,579	109,943	55,250	-	-
73	541,833	46,216	110,658	-	164,590	96,707	116,766	55,250	-	-
74	558,088	47,602	113,978	-	-	102,509	290,003	55,250	-	-
75	574,831	49,030	117,397	-	-	108,218	299,044	55,250	-	-
76	592,076	50,501	120,919	-	-	114,227	308,292	55,250	-	-
77	609,838	52,016	124,547	-	-	120,023	318,013	55,250	-	-
78	628,133	53,577	128,283	-	-	126,647	327,700	55,250	-	-
79	646,977	55,184	132,132	-	-	133,609	337,607	55,250	-	-
80	666,387	56,840	136,096	-	-	140,925	347,739	55,250	-	-
81	686,378	58,545	140,178	-	-	147,840	358,485	55,250	-	-
82	706,970	60,301	144,384	-	-	420,955	104,011	55,250	-	-
83	728,179	62,110	148,715	-	-	527,902	-	55,250	-	-
84	750,024	63,974	153,177	-	-	521,950	-	55,250	-	-
85	772,525	65,893	157,772	-	-	511,303	-	55,250	-	-
86	795,701	67,870	-	-	-	159,666	-	-	-	568,165
87	819,572	69,906	-	-	-	-	-	-	-	749,666
88	844,159	72,003	-	-	-	-	-	-	-	772,156
89	869,483	74,163	-	-	-	-	-	-	-	795,321
90	895,568	76,388	-	-	-	-	-	-	-	819,180
91	922,435	78,679	-	-	-	-	-	-	-	843,756
92	950,108	81,040	-	-	-	-	-	-	-	869,068

This chart is for illustrative purposes only and is made available as a self-help resource for your planning convenience. Retirement income sources are calculated on an after-tax basis. The results are based on your inputs and are not intended to be a financial plan or investment advice from Principal but may be used as a general guideline to help you make personal planning and financial decisions. Responsibility for these decisions is assumed by you, not Principal. All projections, analysis and calculation results are estimates and depend on many factors, including the data and assumptions you provide, and may not reflect all your sources of income or expenditures. Actual results may vary and do not represent the returns of any particular investment.

Appendix: retirement income sources with new life insurance

Client Age	Annual Need	Soc. Sec. & Pensions	Rental income	Business Income	Sale of Business	Qual Plans & IRAs	Invest Accounts	Def Comp & Other	Life Insurance	Gap
65	$ 427,728	$ 12,645	$ 87,355	$ -	$ 152,205	$ -	$ 120,273	$ 55,250	$ -	$ -
66	440,560	13,024	89,975	-	153,502	-	11,808	55,250	117,000	-
67	453,777	38,705	92,674	-	154,864	-	-	55,250	117,000	-
68	467,390	39,866	95,455	-	156,294	-	3,525	55,250	117,000	-
69	481,412	41,062	98,318	-	157,795	-	11,986	55,250	117,000	-
70	495,854	42,294	101,268	-	159,372	-	20,671	55,250	117,000	-
71	510,730	43,563	104,306	-	161,027	-	29,584	55,250	117,000	-
72	526,052	44,870	107,435	-	162,765	91,579	-	55,250	117,000	-
73	541,833	46,216	110,658	-	164,590	96,707	-	55,250	117,000	-
74	558,088	47,602	113,978	-	-	102,509	173,003	55,250	117,000	-
75	574,831	49,030	117,397	-	-	108,218	182,044	55,250	117,000	-
76	592,076	50,501	120,919	-	-	114,227	191,292	55,250	117,000	-
77	609,838	52,016	124,547	-	-	120,023	201,013	55,250	117,000	-
78	628,133	53,577	128,283	-	-	126,647	210,700	55,250	117,000	-
79	646,977	55,184	132,132	-	-	133,609	220,607	55,250	117,000	-
80	666,387	56,840	136,096	-	-	140,925	230,739	55,250	117,000	-
81	686,378	58,545	140,178	-	-	147,840	241,485	55,250	117,000	-
82	706,970	60,301	144,384	-	-	155,863	252,103	55,250	117,000	-
83	728,179	62,110	148,715	-	-	163,348	263,429	55,250	117,000	-
84	750,024	63,974	153,177	-	-	172,119	274,564	55,250	117,000	-
85	772,525	65,893	157,772	-	-	180,165	286,527	55,250	117,000	-
86	795,701	67,870	-	-	-	188,462	633,600	-	-	-
87	819,572	69,906	-	-	-	196,995	651,168	-	-	-
88	844,159	72,003	-	-	-	204,243	670,035	-	-	-
89	869,483	74,163	-	-	-	213,141	688,750	-	-	-
90	895,568	76,388	-	-	-	318,135	611,232	-	-	-
91	922,435	78,679	-	-	-	948,495	-	-	-	-
92	950,108	81,040	-	-	-	904,476	-	-	-	-

This chart is for illustrative purposes only and is made available as a self-help resource for your planning convenience. Retirement income sources are calculated on an after-tax basis. The results are based on your inputs and are not intended to be a financial plan or investment advice from Principal but may be used as a general guideline to help you make personal planning and financial decisions. Responsibility for these decisions is assumed by you, not Principal. All projections, analysis and calculation results are estimates and depend on many factors, including the data and assumptions you provide, and may not reflect all your sources of income or expenditures. Actual results may vary and do not represent the returns of any particular investment.

principal.com

Principal National Life Insurance Company and Principal Life Insurance Company, Des Moines, Iowa 50392-0002, www.principal.com.

The subject matter in this communication is educational only and provided with the understanding that Principal® is not rendering legal, accounting, investment or tax advice. You should consult with appropriate counsel, financial professionals, and other advisors on all matters pertaining to legal, tax, investment or accounting obligations and requirements.

Insurance products issued by Principal National Life Insurance Company (except in NY), Principal Life Insurance Company®, and the companies available through the Preferred Product Network, Inc. Plan administrative services provided through Principal Life Insurance Company®. Securities offered through Principal Securities, Inc., member SIPC, and/or independent broker/dealers. Referenced companies are members of the Principal Financial Group®, Des Moines, IA 50392.

Not FDIC or NCUA insured
May lose value • Not a deposit • No bank or credit union guarantee Not insured by any Federal government agency