

Key employee retention and retirement



Do your business clients know the score?

Calculating key employee retirement needs



The ability to maintain a comfortable standard of living in retirement is the top financial concern for many Americans.¹ This isn't just something for individuals to think about. But, businesses should, too. There are business solutions available to help business owners and key employees achieve their retirement goals, while also offering benefits for the business itself.

So, how do you determine if your business clients could benefit from a key employee retention and retirement solution? First, ask them a few questions.

- › Will your key employees be able to save enough money for retirement with the current benefits you have in place?
- › Would you like to reward key employees who help drive the success of your business?
- › Do your competitors offer benefits that might draw valuable employees away from your organization?
- › Is it difficult to recruit high-quality employees because of your benefits package?

Answers to these questions can lead to good discussions about how key employee benefits might be valuable.



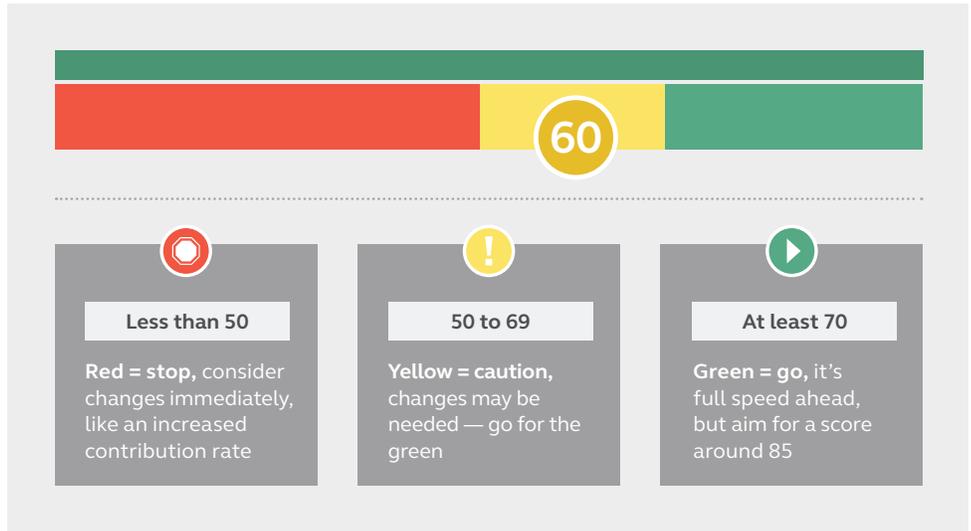
When it comes to saving for retirement, how much is enough?

We have just the tool to help key employees figure that out. You can use our retirement wellness planning tool with business owners and key employees to determine if their current plans have them on track. Find it at principal.com/yourfuture.

After answering just a few questions, they'll be given a Retirement Wellness Score. This will give them an "at a glance" awareness of their retirement readiness. Each person's score is:

- › **Personalized** to them and calculated using information like employer-sponsored retirement plan balances and contribution levels, annual pay and an estimate of income from other sources like Social Security, personal savings or mutual funds, stocks or bonds.
- › **Easy to understand** because it uses a basic **scale of 1 to 100** in conjunction with intuitive colors that help them quickly understand where their score lands. The higher the score the better.

Scores are estimates of the percentage of pre-retirement income that may be available to them in retirement. Seeing the comparison may help them determine if they're saving enough. Studies suggest achieving a score of at least 70-85 to be on track for retirement.²



How can you help?

If your business clients have key employees with red, yellow or green scores under 85, they may want to consider a key employee benefit solution. Show them how these plans can help them recruit, reward, retain and retire their key employees. Principal offers multiple, unique solutions designed for all types of businesses. Each is structured to achieve different goals.

And, don't think you have to know the ins and outs of each plan type all on your own. We offer expertise and services to help you determine which solution best addresses their needs. These simple decision grids can help you get started.

- › **Decision Grid for C Corporations** (BB11384)
- › **Decision Grid for S Corporations and LLCs** (BB11383)
- › **Decision Grid for Tax-Exempt Organizations** (BB9777)

Visit advisors.principal.com for the above decision grids, as well as other key employee retention and retirement tools. Or, call the National Sales Desk at **800.654.4278**, or your Life RVP.



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¹2017 Insurance Barometer Study, LIMRA

²Aon Consulting's 2008 Replacement Ratio Study™ www.aon.com/about-aon/intellectual-capital/attachments/human-capital-consulting/RRstudy070308.pdf

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