

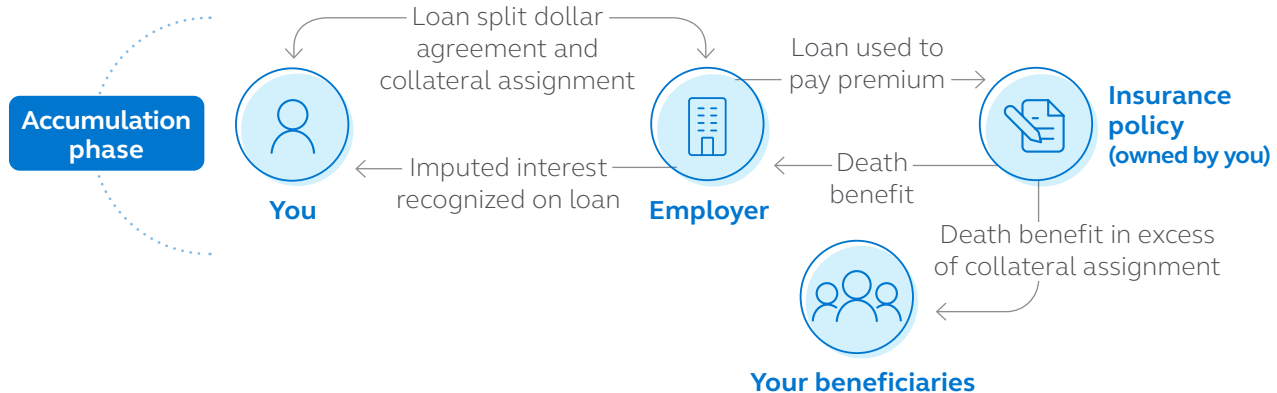
An exclusive benefit for future financial needs

Your employer wants to show you how valuable you are to the business. You've been chosen to participate in an incentive plan that offers multiple benefits. It helps you save more for the future and increase financial security for you and your family.

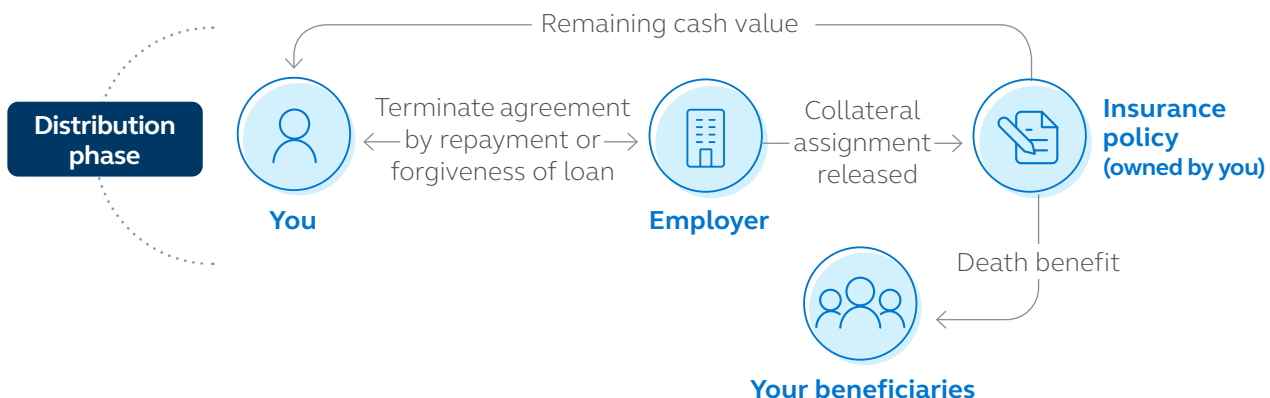
Here's how it works

You enter into a written split dollar agreement with your employer, which results in the purchase of a cash-value life insurance policy from Principal®. A loan from your employer to you provides proceeds to pay the premium on the policy you own.

Imputed interest¹ will be taxable income to you during the accumulation phase. A portion of the cash value and death benefit equal to the loan is assigned back to your employer as collateral.



Then, during the distribution phase² of this plan, the loan is paid off and the collateral assignment is terminated. This gives you sole access to the remaining policy benefits for supplemental retirement income and/or survivor benefits.



What you need to know

There are many advantages to this plan, just as there are some things to consider.

Provide for the future. Benefits from the plan can help you supplement retirement income on a tax-advantaged basis, as well as provide your beneficiaries with benefits upon your death.

Save on protection. Provides life insurance protection at a current cost (imputed interest¹) to you that's significantly less than if you were to pay the full policy premium without this plan in place.

Receive multiple benefits. In addition to tax-advantaged supplemental retirement income, the plan can also provide access to funds to address unplanned events—such as disability, chronic illness, and other financial needs.

Pay taxes. During the accumulation phase, income tax is due only on the imputed interest.¹

Your employer wants to offer benefits you value. This plan can provide you with multiple benefits, while helping you save more for the future. Plus, you can trust the service and expertise Principal will provide to you every step of the way, year after year.



[Learn more](#)

Contact your financial professional today.

¹ Imputed interest is the interest at a minimum level required by tax law. Often, you won't pay any interest on the loan, but instead will be taxed as if a minimum level of interest had been paid.

² This distribution phase is sometimes referred to as the rollout.



[principal.com](https://www.principal.com)

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