

A bonus that does so much more

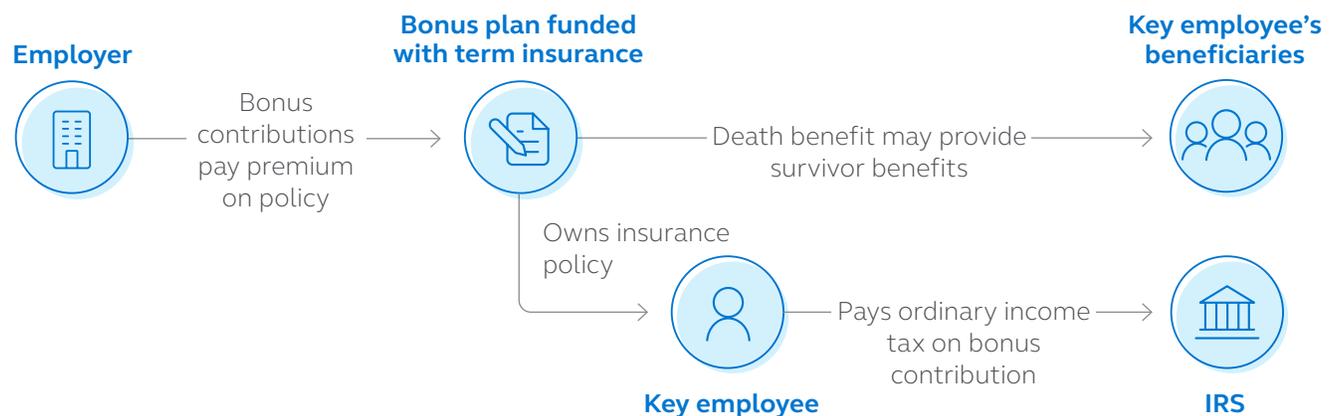
Offer a term life insurance benefit to help you recruit, reward, and retain your top talent.

Your organization depends on hiring and keeping top employees. So, what can you do—that’s simple and effective—to recognize your key employees and give them another reason to stay with you?

Take a closer look at a plan that offers your key employees a way to protect their family, while helping you reward and keep them for the long term. Plus, contributions are generally tax-deductible to you, and it’s easy to administer.

Here’s how it works

The amount you contribute to the plan is used to buy term life insurance from Principal®. The policy is owned by your key employee and provides death benefit protection for their family.



- The **employer** makes a bonus contribution to pay premiums on a life insurance policy for the key employee and generally receives a current tax deduction on the amount.
- The **key employee** owns the life insurance policy and pays income tax on contributions made to the plan.
- The **key employee’s beneficiaries** may receive a death benefit that is generally income tax-free.

What you need to know

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

For you

Offers a tax deduction. Your business generally receives a current tax deduction of the amount contributed to the plan.

Increases morale. It's an effective way to recruit, reward, and retain the employees who are most valuable to your business.

Provides easy maintenance. The simple plan design is easy to communicate and administer.

Impacts cash flow. Money used for contributions reduces company cash flow.

For your key employee

Enhances financial security. The employee's family may receive a death benefit that is generally income tax-free, in the event of the employee's death.

Owns the policy. The key employee owns the life insurance policy. To be eligible for continued contributions, they must remain with the organization.

Pays potential taxes. Contributions are taxed as ordinary income to the employee. You may choose to provide an additional bonus to offset the income tax due.

 [Learn more](#)

Contact your financial professional today.

Principal National Life Insurance Company and Principal Life Insurance Company®, Des Moines, Iowa 50392, principal.com

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