

Principal®

Nonqualified deferred compensation plans

Helping you stand out

A unique, customized experience for you, your organization, and your key employees

Your organization's needs are distinct—unique to you.

Offering competitive benefits for top talent is important to the success of your organization. We get it, and we're here to help. Your nonqualified deferred compensation plan will be designed to support efforts to recruit, retain, and reward key employees. Plus, help them get ready for retirement.

RECRUIT

Attract the best employees as part of a competitive benefits package.

RETAIN

Encourage key employees to remain loyal to your organization.

REWARD

Provide performance-based contributions to achieve organizational goals.

RETIRE

Help your key employees save for retirement beyond what qualified plans allow.

What are the top reasons plan sponsors offer a deferred comp plan?

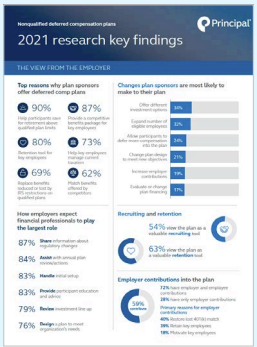


Say it's to **provide a competitive benefits package.**[1]



Say it's to **help participants save for retirement beyond qualified plan limits.**[1]

We'll keep you up to date on the latest trends and insights.


Nonqualified deferred compensation plans

Principal

2021 research key findings

THE VIEW FROM THE EMPLOYER

Top reasons why plan sponsors offer deferred comp plans

90%

87%

80%

73%

69%

62%

How employers expect financial professionals to play the largest role

87% Share information about regulatory changes

84% Assist with annual plan reconciliations

83% Handle initial setup

83% Provide participant education and advice

79% Review investment line-up

76% Design a plan to meet organization's needs

Changes plan sponsors are most likely to make to their plan

Offer different investment options 34%

Expand number of eligible employees 32%

Allow participants to defer more compensation in the plan 28%

Change plan design to meet new regulations 27%

Increase employer contributions 23%

Evaluate or change plan financing 17%

Recruiting and retention

54% view the plan as a valuable recruiting tool

63% view the plan as a valuable retention tool

Employer contributions into the plan

59% workers

72% have employer and employee contributions

28% have only employer contributions

Primary reasons for employer contributions

40% Bottom line 401(k) match

39% Retain key employees

18% Motivate key employees

Gain business insights through the lens of current plan sponsors and plan participants. Check out the results of our annual nonqualified deferred comp plan research at principal.com/nqresearch.

[1] 2022 Trends in Nonqualified Deferred Compensation, conducted by Principal

How we're different

It's critical that you and your financial professionals find the right plan provider. With Principal, you won't have to look any further. We specialize in deferred comp, with a platform and service model tailored for your top employees. Whether you're setting up a new plan or wanting more from an existing one, we're here to help you. Everything you need is right here—conveniently in one place.



Innovative plan design and consulting



Multiple funding options



Efficient plan onboarding



Dedicated plan administrative services

Innovative plan design and consulting

How does an organization ultimately benefit from a deferred comp plan? It benefits by designing a plan customized to meet the specific goals of the organization and its key employees. Working with you and your financial professionals, we guide you through a process that considers the right deferred comp benefit plan options to help achieve your goals.

First, we'll work hard to understand your organization and design a plan that makes sense with your short- and long-term goals. We want to identify those aspects that give you the most flexibility and versatility from things like:

- Participant eligibility
- Employee deferrals
- Employer contributions
- Earnings crediting
- Distribution options
- Vesting options
- Investment choices
- Security mechanisms

Plan design flexibility makes us a top provider for organizations of all types—for profit, not-for-profit, small- to medium-sized businesses, and large corporations. And we can tailor plan details—such as employer contributions, participant contributions, defined benefit, or a unique combination—designed to meet your objectives.

Multiple financing options

How will you pay for your key employees' benefits in the future? You can finance your plan however it works best for you and your organization's bottom-line goals. We offer all the common financing techniques and create detailed models to help you make an informed decision.

- Company cash, using company cash-flow
- Taxable investments, such as mutual funds
- Corporate-owned life insurance (COLI)
- Dual-financing, with a combination of taxable investments and COLI

Tax, actuarial, and legislative experts at your service

To help you manage your assets and tax liability, our team of consultants will work alongside your financial professional to help tailor your plan to match your asset and tax strategy. Together, we'll find an effective financing approach based on detailed financial models.

We're speaking on behalf of employers like you on Capitol Hill, too. We're active lobbyists at both federal and state levels to shape legislation and how it impacts your organization's goals and your employees' ability to save for retirement.

We give you access to well-known internal and external investment managers and sub-advisors with respected reputations.

Efficient plan onboarding

Our priority is to work with you and your financial professionals to complete plan onboarding as easily as possible while ensuring accuracy.

Your dedicated client onboarding manager will talk with you about your unique goals, situation, and needs, and then create a tailored action plan. It'll include a timeline, plan design analysis, and investment mapping. We make document signing easy through electronic signature technology. Plus, we'll partner with you to create a strategy for educating your plan participants to help ensure the enrollment process and introduction to the plan starts off on the right foot. Throughout every step, we'll keep you informed and lead you through a smooth process.

Prepare plan documents

- Review plan documents.
- Complete and sign all paperwork.

Roll out benefit

- Communicate plan benefits.
- Help employees enroll, if applicable.

Set up payroll and contributions

- Alert your provider and make system changes.
- Confirm first contribution.

Establish ongoing service

Meet your client service manager, your key point of contact going forward.

Dedicated plan administrative services

Once your plan is in place, you can expect the expertise, consultation, and responsiveness to continue. We'll partner with you to take the complexities out of plan administration and decision-making. Along the way, you can trust our commitment to high-quality operations reviewed by outside auditors annually.

Our approach to plan administrative services is designed to make your organization better and help your employees create a better financial future. And it starts with proactive education for you and your employees.

Focus on you and your goals

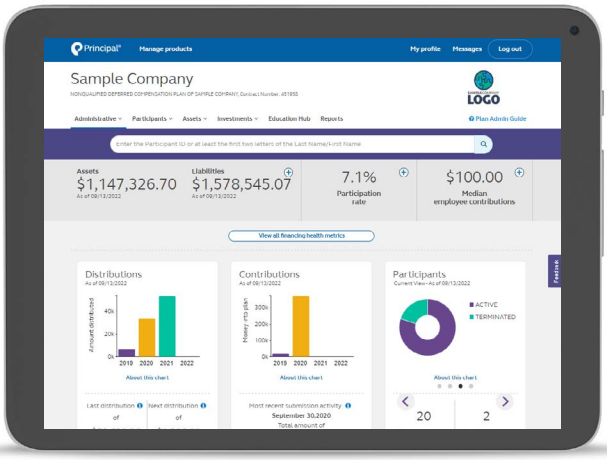
You can expect tools and resources that give you convenient control and the information you need to drive positive organizational outcomes. Everything from enrollment to benefit payments will be easy and effective.

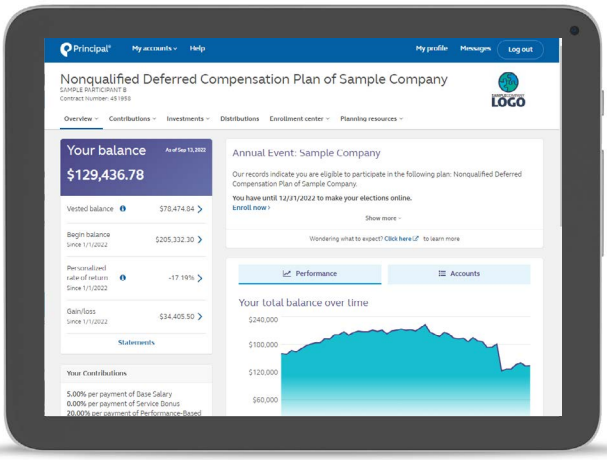
- Online plan management actions
- On-demand eStatements and reports
- Online plan administration guide
- Education and communication resources
- Digital tools and resources to manage the financing of the plan

Focus on your employees

Each of your employees learns differently and understanding the plan's value is critical, so we keep them in-the-know and provide the tools they need to optimize their savings strategy.

- Online enrollment, data, and account management actions
- On-demand eStatements
- Participant communications to provide continued support and education
- Online learning center with education videos, resources, and tools
- Decision-making tools





1.5% Annual plan sponsor attrition rate[2]
(those that leave Principal to go to another provider)

Our dedication to plan sponsors and participants shows.

[2] Principal deferred comp plan sponsor data, July 31, 2022.

When your organization needs more, we deliver.

As you and your financial professional uncover various challenges throughout the life of your business, we are here for you. As a full-service financial services firm, we offer comprehensive and innovative solutions that help you meet the various protection and planning needs of you, your organization, and employees. Our consolidated services can help you streamline solutions, offering greater efficiency.

Solutions for employees

- Retirement solutions through Principal Total Retirement Suite℠
  - Qualified plans
  - Pension solutions
  - Stock plan solutions
  - Trust and custody solutions
  - Bonus or split dollar plans
- Group benefit plans (e.g. disability, life, dental and vision insurance)

Services and solutions for your business

- Complimentary informal business valuation and buy-sell review services
- Succession and exit strategies
- Benefits to help retain key employees
- Key person protection

Solutions for a business owner's lifestyle

- Personalized analysis of an owner's retirement readiness
- Legacy and estate planning
- Life and income protection

Working with Principal to set up the plan and execute it over time has been a very pleasant experience. I was so impressed with the dialogue we had prior to execution to get exactly what we wanted set up. Then to roll out the plan the way they did, to speak with employees and explain to them how this was going to work and how it would benefit them.

— Founder and chief executive officer, nonqualified plan sponsor[3]

The Principal brand name is very helpful. We're in a battle for talent in this area and having brand name recognition in the benefits that we offer is important.

— Chief executive officer, nonqualified plan sponsor[3]

[3] This is not a paid advertisement. Those represented are not affiliated with any company of the Principal Financial Group®, and the views they express are their own.

Our expertise and service stand out.

Us at a glance

Number 256[4]	On the *FORTUNE* 500®
No. 1[5]	Provider of nonqualified deferred comp plans
$632 billion[6]	Total assets under management
3,369[6]	Nonqualified deferred comp plans
34	Years of deferred comp experience
80	Years of experience in retirement
54 million[6]	Customers worldwide

Our distinctions

- **One of America's Most Responsible Companies —** Newsweek and Statistica review of 2,000 public companies (December 2022)
- **One of the Most Admired Companies —** Fortune Magazine (February 2022)
- **One of the 100 Best Places to Work in IT —** IDG's Computerworld for 21st year (December 2022)

Let's connect

Contact your financial professional or go to **principal.com.**

[4] As of June 2022.
[5] Based on number of NQDC plans (excluding 457 plans), *PLANSPONSOR* 2022 Defined Contribution Recordkeeping Survey, July 2022.
[6] Data for the trailing 12 months ended June 30, 2022.

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