Individual disability insurance

Offer your key employees a benefit they'll value.

Retain and reward your key employees

Your key employees play an important role in the success of your organization. So, how can you keep them happy and motivated for the long term?

One way to do that is to strengthen your employee benefits package with income protection using individual Disability Income insurance from Principal®. This valuable coverage helps protect employees by replacing a portion of their income if they become too sick or hurt to work. Plus, it can be tailored for your business's needs:

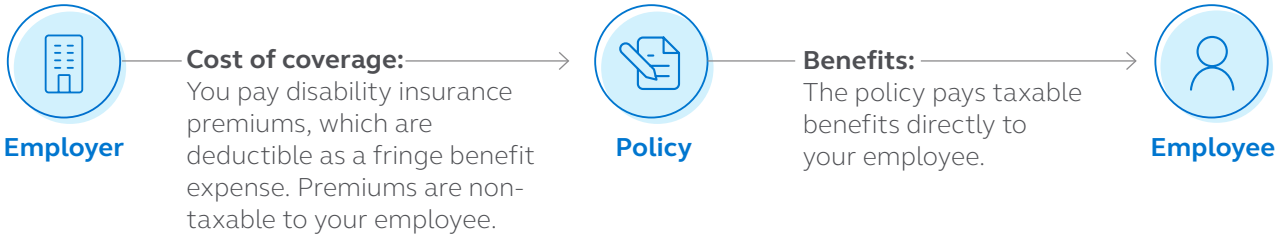
- You can offer it to select groups of employees.
- Your business may receive tax advantages.
- It's something your employees may not have considered, but will likely value.

Three ways to offer income protection for key employees

Salary continuation

With this plan, you can provide individual coverage to specific groups of employees.

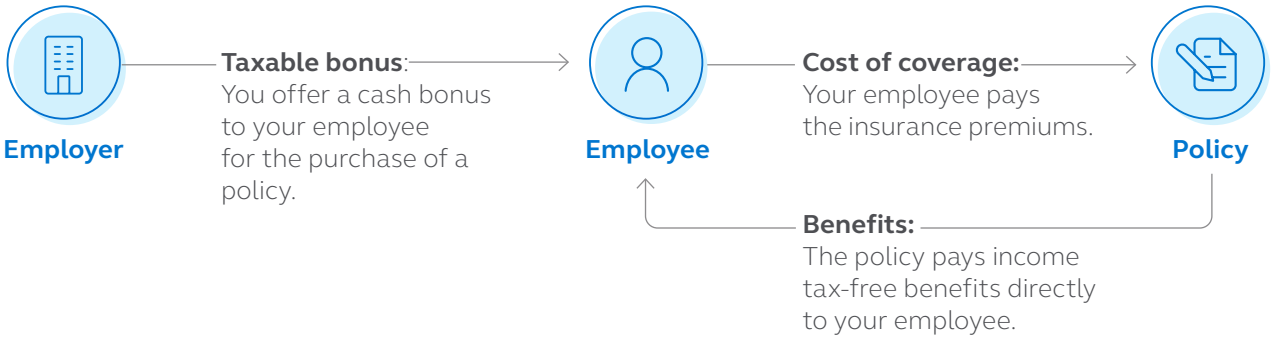
How it works:



Executive bonus

This allows you to give select employees a cash bonus they use to purchase coverage.

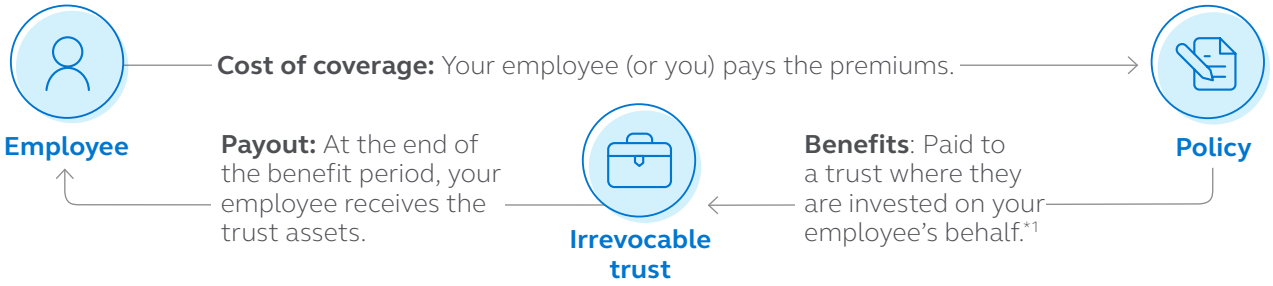
How it works:



DI Retirement Security

This solution helps employees continue to save for retirement if they become too sick or hurt to work.

How it works:



*1 The trust is administered by Bankers Trust, Company, Des Moines, Iowa. For more information, visit principal.com/bankerstrust.

Comparing the three protection options

	Salary continuation	Executive bonus	DI Retirement Security
Plan set-up	You set up a formal plan that aligns with tax code requirements.	No formal documentation required.	
Employees covered	You select which groups of employees to cover. As employees meet the criteria for the group, you add them to the plan.	You choose who to cover.	
Premiums	You purchase a policy for each employee and deduct the premiums as a fringe benefit expense. Premiums are not taxable to employees.	The bonus you provide to employees is: • Deductible to you, but may add marginal costs because of additional taxes and benefits. • Taxable as ordinary income for the employee.	You can pay premiums directly, bonus the employee to pay them, or the employee can pay them with after-tax dollars.
Policy ownership	The employee owns the insurance policy and has full rights to it.		
Benefit payments	The employee receives benefits directly from Principal. The benefits are considered taxable income.	The employee receives benefits directly from Principal on an income-tax-free basis.	Benefits are paid directly to an irrevocable trust. Depending on who pays the premium, the benefits may or may not be taxable to the employee.

Let's connect | Contact your financial professional.

Principal®

principal.com

Disability insurance issued by Principal Life Insurance Company®, a member of the Principal Financial Group®, Des Moines, IA 50392.

Disability insurance has exclusions and limitations. For costs and coverage details, contact your Principal representative.

DI Retirement Security is issued as a non-cancelable, guaranteed renewable, individual disability income insurance policy. It is not a pension or retirement program or a substitute for such a program. DI Retirement Security is not available to anyone who is over insured based on Principal Life's current Issue and Participation guidelines. It may not be available or the benefit amount may be reduced for certain occupations if there is existing DI coverage with lifetime benefits. Additional underwriting guidelines may apply. This flyer is not approved for use in New Mexico.

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