



Nonqualified deferred compensation

Bring your plan to life

Education and
engagement guide

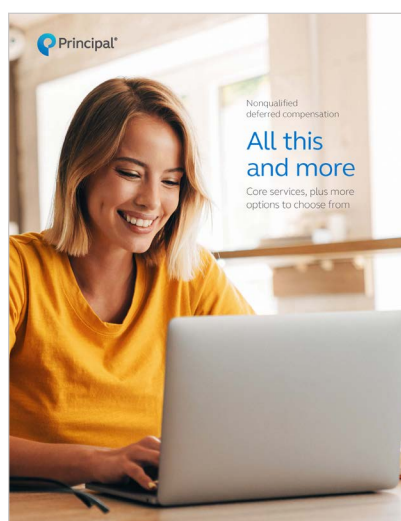


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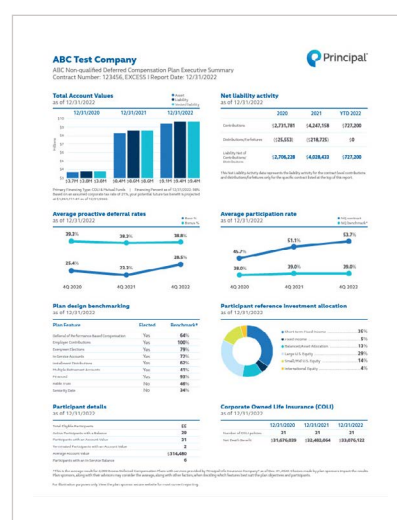
A quick overview of services

There's a lot that comes with your nonqualified deferred comp plan. Learn about the core, optional, and onboarding services available.



Deferred comp plan executive summary

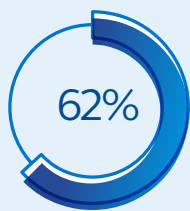
Get an annual snapshot of your plan where you and your financial professional can easily refer to your plan details at a glance and monitor your plan's health.



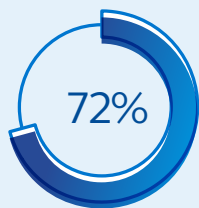
Are your valued employees **ready to retire?**

The statistics are clear. Employees participating in nonqualified deferred compensation plans from Principal® see the benefit as a big factor in meeting their savings goals.

Recruiting and retention



View the plan
as a valuable
recruiting tool.

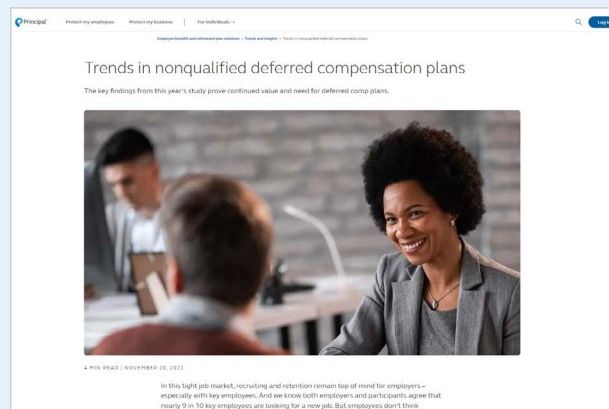


View the plan
as a valuable
retention tool.

Source: 2023 NQ Plan Sponsor Satisfaction
Survey conducted by Principal.

Thought capital

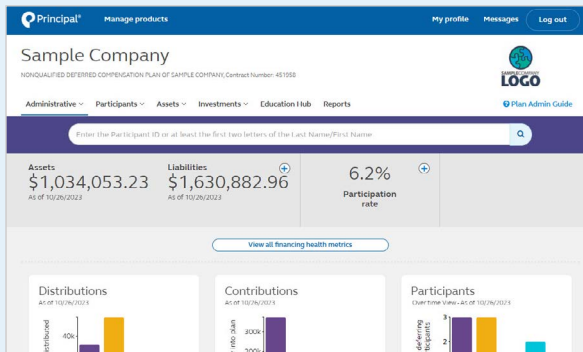
Annual nonqualified deferred comp plan
research results provide you with business
insights through the lens of both the plan
sponsor and participant.



Engagement can make all the difference

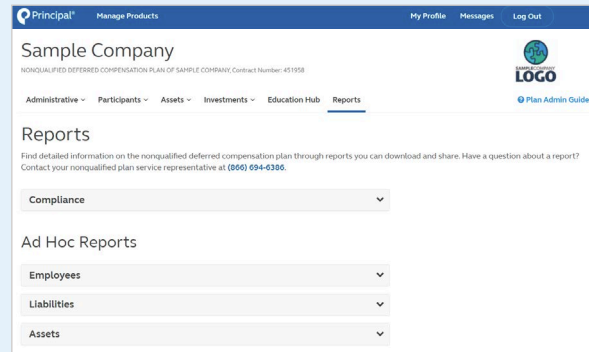
Keeping you in the know

To help you stay on top of your plan, a range of information is available on our website and corporate accounting reports. You also have easy access to plan asset and liability reporting, investment resources, and other tools to assist with administering your plan.



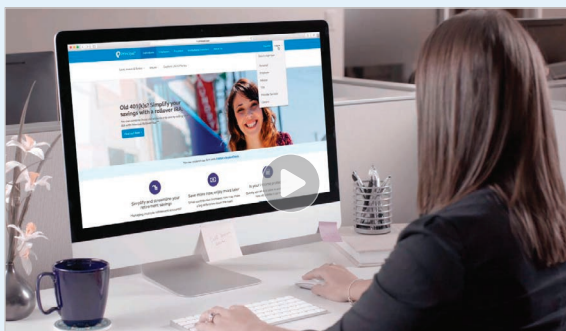
Mission control for the plan

An employer home page helps make managing the plan more simple. Common tasks are featured, along with critical plan data that's just a click away.



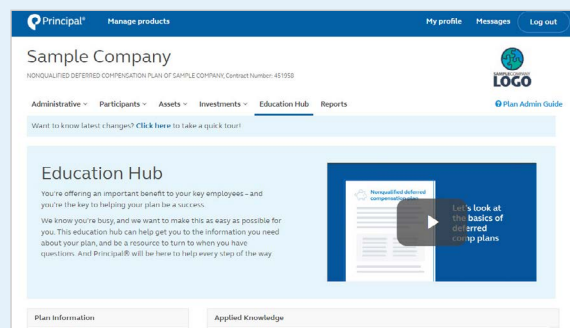
Enhanced self-serve online report capabilities

Find detailed information on your plan through reports you can download and share. More reports will be added as they become available.



Plan sponsor web tour video

Get a quick preview for the experience you'll have once your plan is in place.

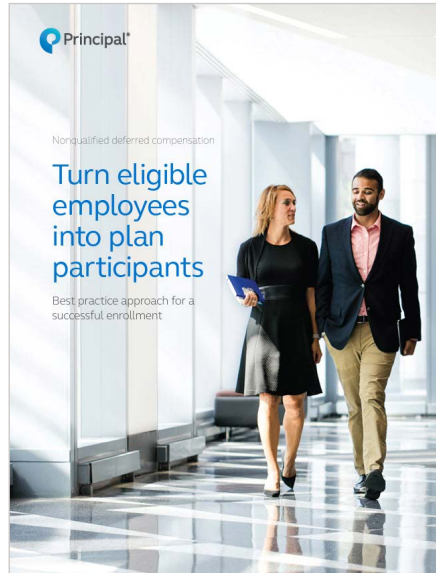


Plan sponsor education

Access our education hub for deferred comp basics, and learn tips and tricks on how to best maintain your plan.

Developing an education strategy

Participants need education from the time they enroll through retirement. Some prefer websites and online resources. Others like talking through their questions one-on-one with another person. But they all want information that's specific to them. That's where we come in. Whatever decisions participants need to make, we're ready with the right information at the right time.



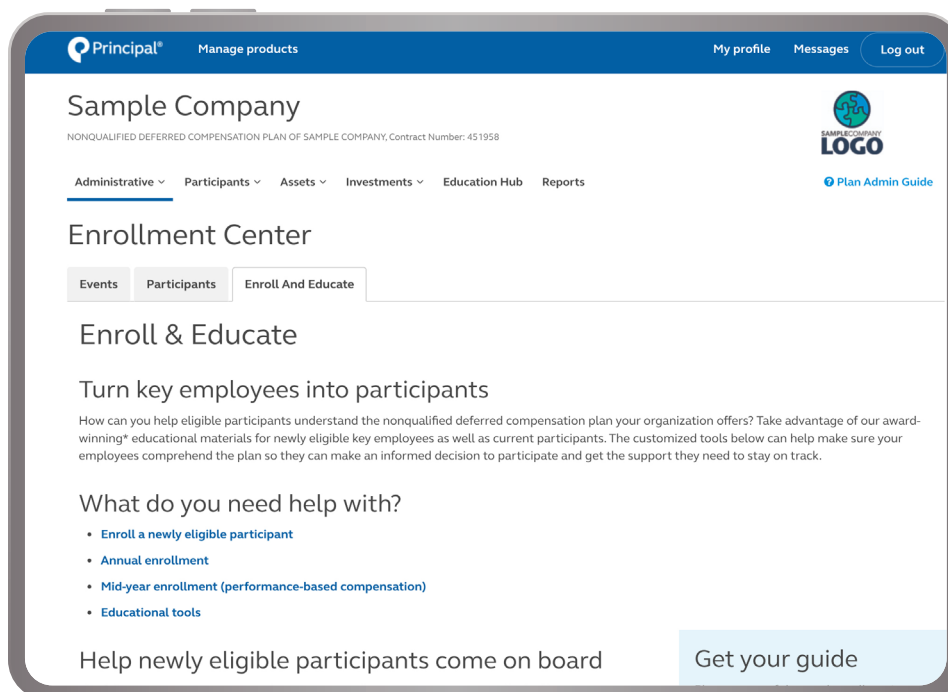
Help participants understand and appreciate the benefit.

Our education plan guide walks you through everything you'll need for a successful annual enrollment event. Get details on setting up the enrollment window and communicating with participants.

Online education hub

Experience how we're making it easier to manage plan education and communication.

The Enroll & Educate section of the plan sponsor website houses customizable communications you can use to promote enrollment and plan education to participants.

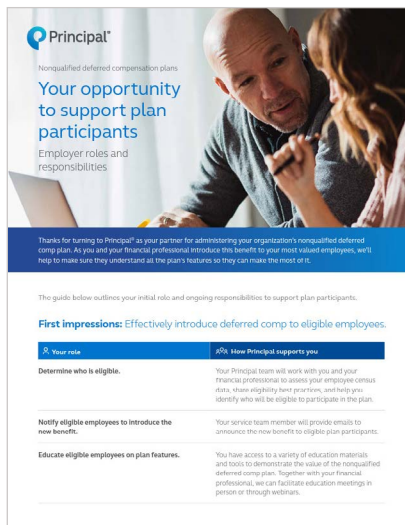


Enroll. Use the customizable communications tailored to your plan design to announce annual enrollment details to your participants.

Educate. Provide participants with educational tools that help to increase awareness and appreciation of the benefit.

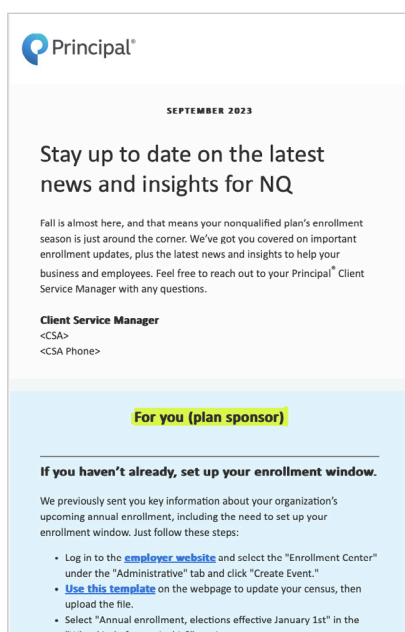
Sponsor roles and responsibilities guide

Helps you understand the initial roles and ongoing responsibilities to support plan participants.




Quarterly newsletter

Key information about your plan is emailed every quarter. Get the latest on legislative news, service, and technology updates.



Promoting enrollment

Do your employees know they're eligible for the plan?
Help them make an informed decision to participate.




Nonqualified deferred compensation plan

Help shape your benefits package.


Because your employer appreciates your unique value, they now you deserve a level of benefits greater than the average employee. One way to accomplish this is through a benefit designed exclusively for employees like you.

Your employer is considering adding what's called a nonqualified deferred compensation plan to your benefits package. Here's how plans like these—from companies like Principal—work: You take what is essentially a pre-tax IOU on a portion of your income that your employer agrees to pay you at a later date. It's also include salary gains or losses from the alterations you choose according to the plan provisions.




DECIDE

Refer a portion of your compensation based on your financial goals. This reduces your taxable income.



INVEST

While not directly investing, your account is credited with any gains or losses based on reference investments you choose.



ENJOY

Reinvest the compensation you previously deferred, plus any potential earnings credited to your account.


The potential benefits
Unlike qualified savings vehicles such as 401(k) or 403(b) plans, which carry government imposed restrictions, nonqualified plans can be designed in many different ways to offer different benefits.

- **Tax advantage or pre-tax savings.** Setting aside some income before taxes are taken out and growing that savings on a tax-deferred basis puts more of your money to work for you.
- **Save more for retirement.** Since this plan has different rules than a 401(k) or IRA, you'll be able to use more for retirement while spreading out when you'll owe taxes and potentially seeing a greater return.
- **Enjoy flexibility.** You choose when to take money from the plan based on your personal savings goals (within whatever rules your employer has set up). And with no age-based rules around the timing of distributions, you can retire on your schedule.

Survey to gauge interest

Simple one-page survey helps you see who's interested in the plan.

Providing education support



Nonqualified deferred compensation plan


An exclusive benefit for you

Save more, manage taxes, retire on your schedule.

Sample Company Name

Customized plan overview

Participants can see how they can save more, manage taxes, and retire on their schedule.



Enrollment is open: Act by [INSERT DATE]

Enroll

Save more. Manage taxes. Retire on your schedule.

Thank you for all you do to help ensure our organization's success! To show our appreciation, we're teaming up with Principal® to offer you an **exclusive benefit**—the [INSERT NAME OF DEFERRED COMPENSATION PLAN]. Attached is a plan overview of this special opportunity.

[ATTACH COPY OF PLAN OVERVIEW]

The enrollment period for your nonqualified deferred compensation plan is now open, and the **deadline** is [INSERT DATE]. Online enrollment is easier than ever—with all the tools you need to set up goals quickly and easily, choose deferrals, and schedule distributions. [View this guide](#) for step-by-step instructions.

Some things you need to know:

- If you're newly eligible or would like to make changes to your elections for the upcoming year, **your action is needed**.
- Participating is a **big decision**. If you haven't already, we recommend doing your research and speaking with your family and your financial professional about the opportunity right away.
- For the best experience, use the Google Chrome browser.


[LEARN MORE >](#) [ENROLL/RE-ENROLL >](#)

Why participate in a deferred comp plan?

This plan allows you to take what is essentially an I.O.U. on some annual income that we'll then pay your future self when you choose. In turn, you'll gain more control over:

Email communications

Enrollment templates let you communicate enrollment and mid-year deferral details to participants. You can also introduce the plan to new participants.



Check out our nonqualified deferred comp online learning center


Saving for the future can seem hard. After all, there's a lot of pressure to get it right.

But we've got just the right resources to help you make an informed decision. Our online educational center allows you to choose your own deferred comp learning adventure—whether that be reading, watching videos, or both. Regardless of if you're newly eligible or just want to make sure you're on track, we want to help you know the ins and outs of how the plan works, its benefits and considerations, how to enroll, and more.

Our online learning center allows you to:

- Watch short videos to help you quickly understand the plan.
- Hear from people like you who have used this plan to achieve their retirement goals.
- Access a robust nonqualified deferred compensation planner.
- Assess your comfort level with investment risks.
- Learn more about your distributions.

Head to www.principal.com/nelearn or www.principal.com/nelearn457 to start taking advantage of these resources and make sure you're on track for the future.




Email

Provide participants with easy links to online resources.

Plan participant education

Education is an important component of helping employees meet their goals to grow their savings, manage taxes, diversify their retirement strategy, and retire on their terms. Our educational experience is designed to help them make informed decisions about their participation in the plan.




Managing your plan is easy.


Congratulations! By participating in your employer's exclusive nonqualified deferred compensation plan through Principal®, you're well on your way to potentially growing your savings, supplementing and diversifying your retirement, and retiring on your schedule.

Now that the first contribution has posted, you can view the plan's current balance and more by [logging in to principal.com](#). →


View your account balance.
Overview > Plan Dashboard




View on-demand account statements.
Overview > Statements



Update beneficiary information.
Overview > Beneficiaries



Manage investments.
Investments > Change Investments




Newly enrolled participant education experience

After the first contribution, participants will receive a series of emails to help them use available tools and resources.

Ongoing enrollment participant experience

Participating NQDC plan participants will receive occasional emails to provide continued support and education.



Explore resources to make the most of your nonqualified deferred compensation plan—and help improve your overall financial well-being.


SUMMER 2023

NONQUALIFIED DEFERRED COMPENSATION

Work toward retiring when you want—and help future income continue to grow.

See how deferred comp could help you retire on schedule—or even early—without dipping into Social Security or other future income sources.


[Watch the video](#)



MANAGING YOUR PLAN
Beneficiary check-in

It's easy to confirm your deferred comp plan beneficiaries are who you want them to be or make updates at [principal.com](#).



[Log in](#) →



ESTATE PLANNING
How to build generational wealth

Building wealth and leaving it to loved ones is a goal many of us share. These steps can help you get started.

[Learn more](#) →



Take a fresh look at your future

An exclusive benefit for you

[Plan name] enrollment meeting
[Company name]

[Presenter 1 name]
[Title]

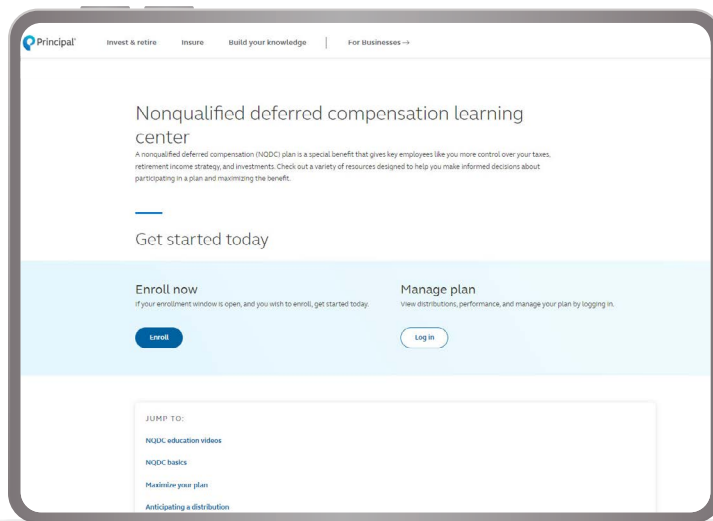
[Presenter 2 name]
[Title]

[Presentation date]

Enrollment presentation

Participants get an overview of this unique benefit through presentations that can be delivered in-person or through a webinar.

Plan participant education (continued)



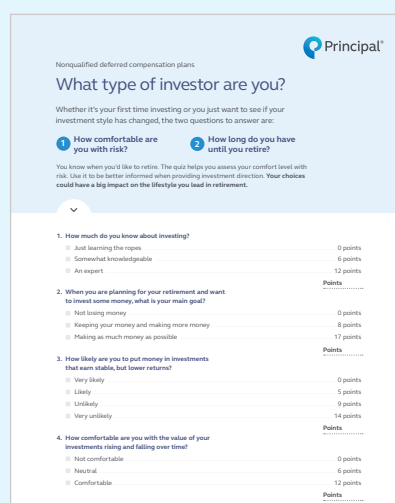
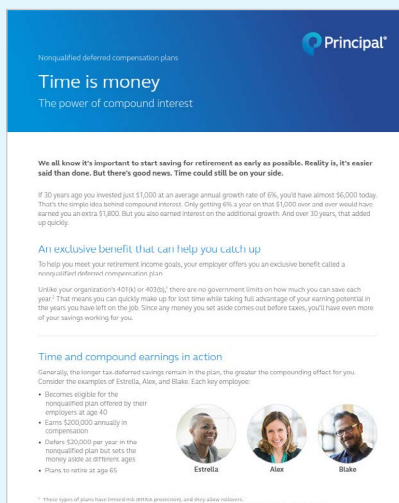
NQ learning center

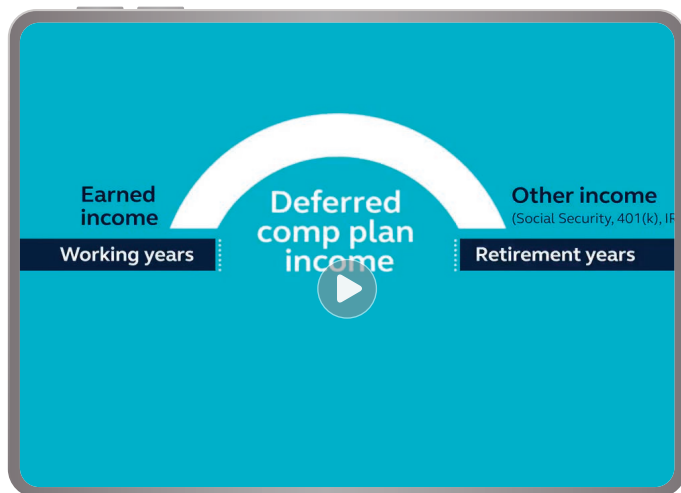
Direct participants to an interactive educational site where they can learn more and take action when they're ready.



Ongoing education

Participants receive valuable support (both print and video) that helps them understand how the plan can help them meet their changing needs over time—in an easy-to-understand format.






Participant “income bridge” video

Discusses the benefits of using retirement income from a deferred comp plan early in retirement, and delaying qualified plan and Social Security benefits so they can continue to grow.

Principal®

Nonqualified deferred compensation plan

Meet Dan.
The executive who closed his savings gap and retired on time.

 After moving more than 13 times in his career, Dan Kowalczyk became a top executive with a Midwest-based precision metal supplier. When consolidating his 401(k) accounts, he realized his rate of savings needed to increase in order to meet his retirement goal. A nonqualified deferred compensation plan was the solution he needed to get his retirement savings on track.

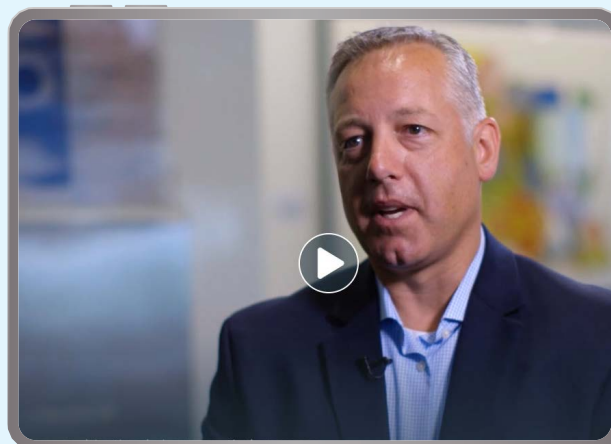
“...If it hadn't been for that additional savings tool, I would never have met my goal to retire at 62. It was that important.”
— Dan Kowalczyk, retired business executive, nonqualified plan participant

Q | How did you start to plan and save for retirement early on in your career?
A | I started working in 1966, and my wife and I decided to start saving as soon as we could by buying \$50 bonds with every paycheck. And eventually we moved to some investing and mutual funds. Then, the 401(k) plan came into vogue and I participated in that. The contribution came out of every paycheck and I didn't miss the money. I think it's the best thing to do if you can, try to get to the max on that. The earlier you can start the better chance you have to meet your goals. So, our retirement planning and saving started in a very simple way.

Q | Did you work with a financial professional?
A | The company's financial professional was very helpful as we put together our plan — asking us tons of questions and understanding us as people, our financial situation and what our goals were. Our financial professional came up with recommendations on things that would be helpful for us to do. One of them was to consolidate because by that time, with lots of moves, we had a lot of 401(k) plan accounts. We discussed how one of the things that, unfortunately for executives, limits you is the percentage you can put in that 401(k) plan. Our financial professional said, “Well, I have options for you.”

Testimonials

Participants can hear from other plan participants as they make decisions about their own plan.



“If it hadn't been for that additional savings tool, I would never have met my goal to retire at 62. It was that important.”²

— Dan Kowalczyk, retired business executive, nonqualified plan participant

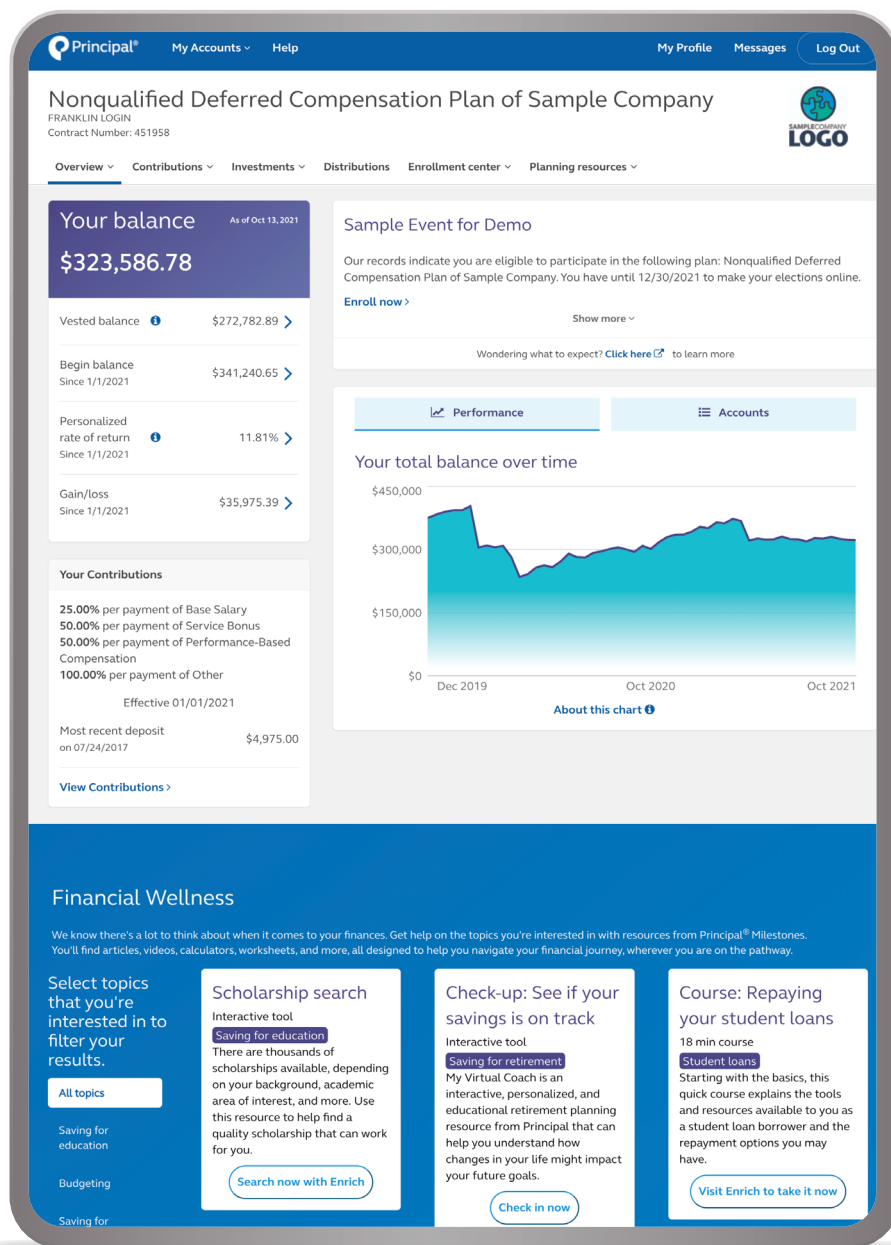
² This testimonial may not be representative of other clients' experiences. It is not indicative of, nor a guarantee of, future performance. Dan Kowalczyk has not been paid for this testimonial.

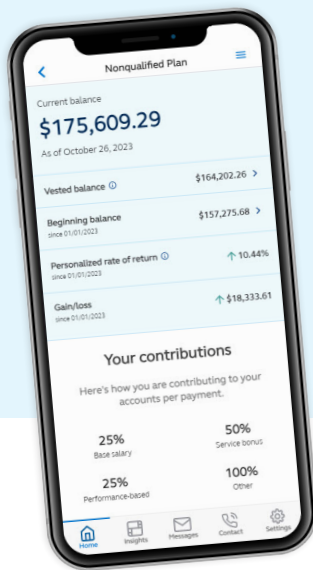
Taking advantage of technology

Connect with us.

Online and mobile resources help participants stay connected to their accounts—anytime, anywhere. Our mobile-friendly website makes it easy to access an account. So participants can quickly see if they're on track with their retirement savings goals. Just visit principal.com and select “Log in.”

Participant home screen





Mobile access (Principal® app)

Stay in the know. Plan participants can monitor their accounts on their own, 24/7. Or they can get the latest insight from Principal on these social media sites:



Deferred comp planner

Play with what-if scenarios. Our convenient deferral calculator lets plan participants compare growth rates in a deferred comp plan to a taxable investment. It also helps them set savings goals and see how those potential deferrals would impact taxes, retirement income, and even retirement age.

Principal®
Manage products
My profile
Messages
Log out

Nonqualified Deferred Compensation Planner

Determine your strategy

Having customized information at your fingertips can help you create a personalized approach for your retirement. Did you know that between the ages of 62 and 70, your Social Security benefits can grow about 7-8% each year you delay taking them*?

That's why one common strategy is to use a nonqualified deferred compensation (NQDC) plan to help fill the gap between income you earn while working and other retirement income that's still growing or not yet available. With no age-based distribution rules, see how an NQDC plan can help you **bridge the gap** and retire when you want.

Earned income
Working years

Deferred comp plan income

Other income
(Social Security, 401(k), IRA, savings)
Retirement years

After you've completed the planner below to calculate the income you'll likely receive from the deferred comp plan, consider your next steps.

Need more information about nonqualified deferred compensation? Visit our [nonqualified learning center](#).

Ready to enroll? If your enrollment window is open, use instructions from your employer and get started today. [Enroll now](#).

Calculate your potential income from the deferred comp plan

Keep your goals and deferral options in mind as you complete this planner. Then, download and share your results with your financial professional to help ensure your deferred comp strategy aligns with your other financial goals.

Simply adjust information below to see how much annual income you might receive from the deferred comp plan after you stop working.

Your planning inputs

Your current age

45

Your annual base salary

\$ 150000

Your annual bonus

\$ 0

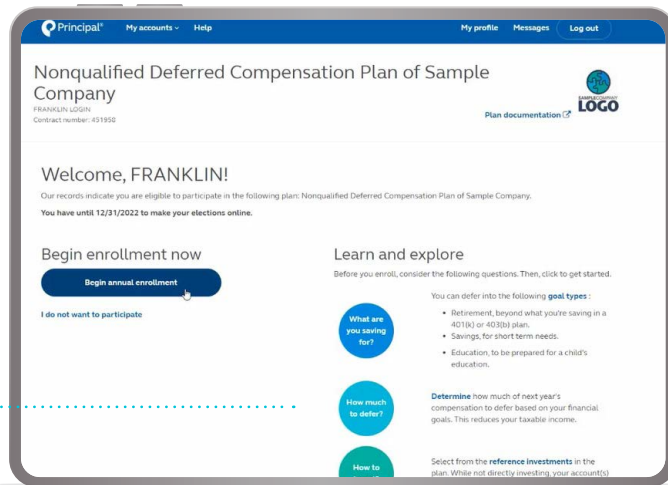
Do you currently participate in a deferred comp plan?

☒ No
☐ Yes

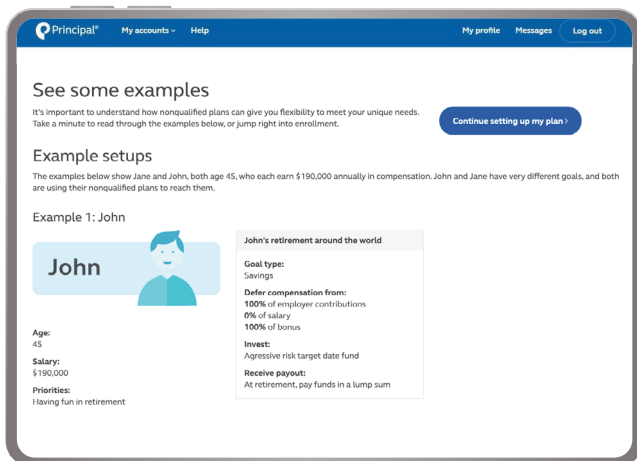
Taking advantage of technology (continued)

Online enrollment experience

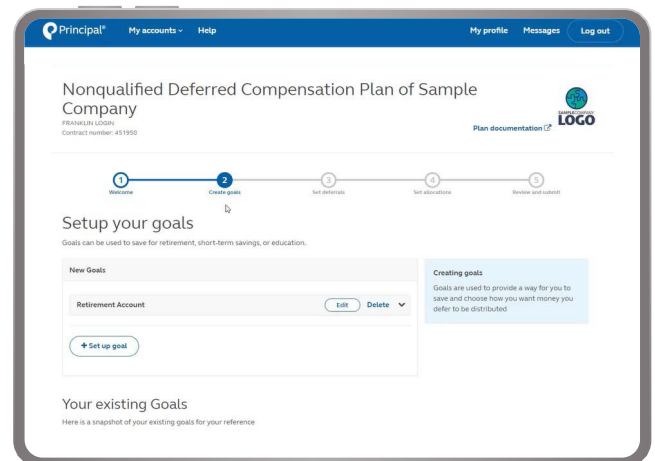
Helping your key employees understand their deferred comp plan is key to a successful enrollment. That's why we've incorporated education into the experience. Now your key employees can streamline their decision making and enroll using **four simple questions** with easy-to-follow navigation.



Mobile-friendly



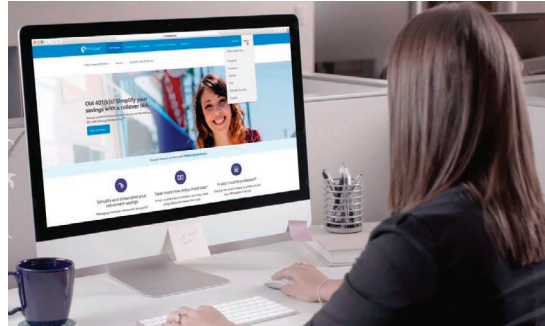
Participants can see some examples of setting up a deferred comp plan before they enroll.



Enrollment can be completed in five simple steps, using intuitive language and navigation.

Plan participant web tour video

Participants can preview the online experience they'll have after enrollment.



Our people are here to help **your people**. Participants can contact us with questions, Monday through Friday at 800-547-7754.





principal.com

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