Principal

Know Your Score

It all adds up

Find your score today: **principal.com/MyScore**

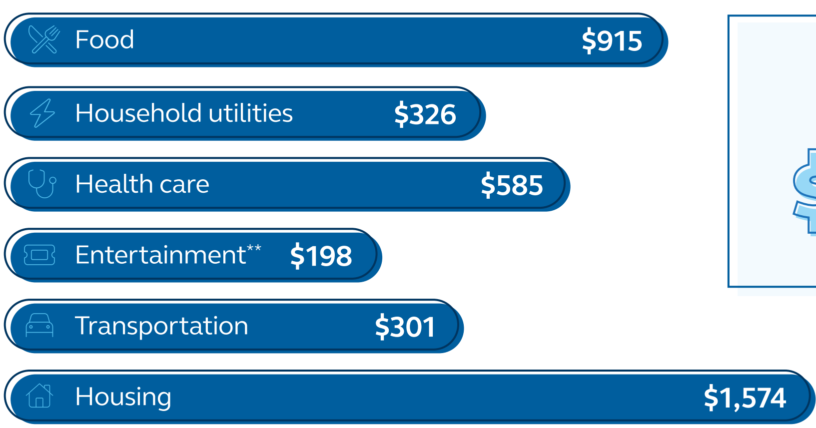
Is your retirement savings plan **on track?**

Let’s face it, no matter what stage of life you’re in it’s important to know you’ll one day be able to retire. And, thinking about retirement shouldn’t be complicated or stressful.

One number—your Retirement Wellness Score—provides at-a-glance awareness of your retirement readiness. Plus, it serves as a guide as you take action to get—and stay—on track.

Why is retirement readiness important? Consider these basic expense stats about current **Americans 65 and older**.

AVERAGE MONTHLY EXPENSES



TOTAL EXPENSES

$3,899

*Not including travel/hobbies
**Not including purchase price of vehicles. Includes gas/motor oil, maintenance and repairs, and insurance.

Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September, 2022.

Those are just basic costs, not including potential future inflation. It’s important to note that some costs may be reduced, like not having child care, student loans, or a mortgage. However, you may have new expenses like hobbies or traveling.

Knowing your Retirement Wellness Score is a great way to help take the guesswork and stress out of preparing to cover your expenses during retirement.

Regardless of where you think you’ll be—today is the time to know your score. Let’s find out how.

Your score can help you reach a more secure financial future

Easy to understand because it uses a basic **scale of 1 to 100** to show what percentage or pre-retirement income you're on track to have in retirement.

Your Retirement Wellness score is **an estimate of how much of your pre-retirement income may be replaced by the income you are estimated to have in retirement.** It's personalized to you using your account balance, contribuation rate, income from other sources like Social Security or other linked retirement savings, and more.

Take the example below. If you have a Retirement Wellness Score of 60, this means you may only be able to replace 60 percent of your estimated income with the estimated income you may have during retirement from your savings and other income sources:

0-49

Consider changes immediately, like an increased contribution rate or linking external retirement savings accounts.

50-69

You're making good progress, but what else can you do to increase your score?

70-100

You're on track to a comfortable retirement! Aim for a score of 80 or above.

Studies suggest achieving a score of at least 70-85 in order to maintain your current lifestyle once you retire.[1] Keep in mind, the lifestyle you want in retirement may not match your current lifestyle.

Check out your score and take the first step toward a more secure retirement. Visit **principal.com/MyScore**.

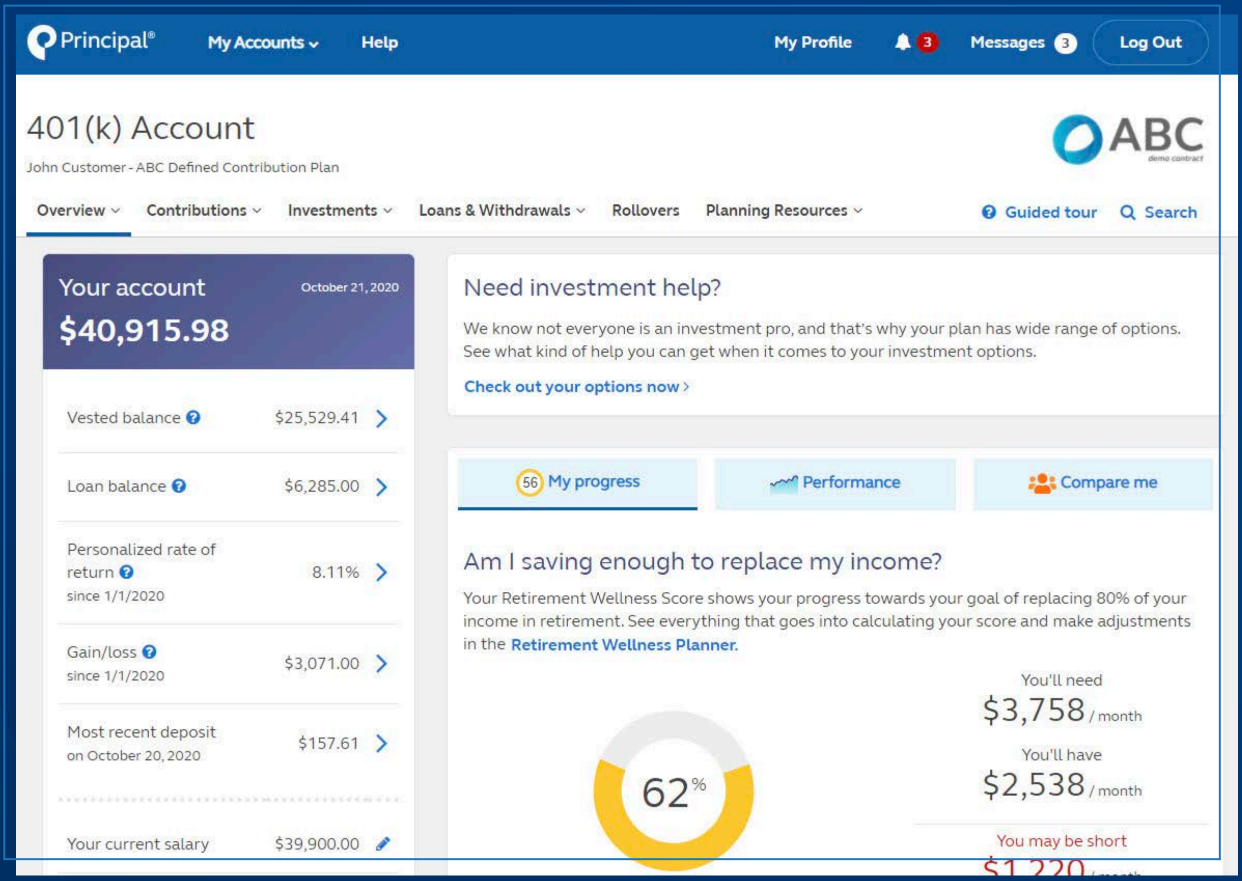
[1] Replacement factor of 80% is based on our industry experience and GAO Retirement Security Report to Congressional requestors. The estimated average total spending for post-retirement households was about 77 percent of the spending levels for pre-retirement households. GAO, 2013 CE Data; 16-242, Retirement Replacement Rates.

Get **started**

Log in to your retirement account to see your Retirement Wellness Score. Your most important retirement savings information for this account appears right on your personalized account home page along with interactive features and planning tips.

Note

In some cases, you may need to unlock your score by providing some additional information.



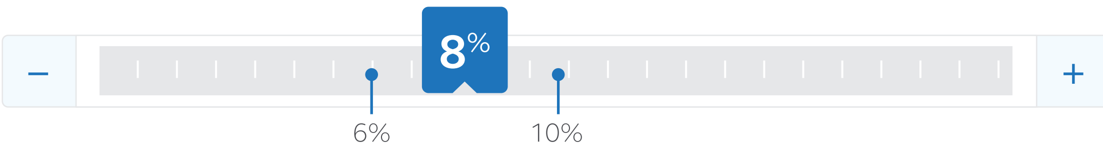
This image is for illustrative purposes only. Your account page may not have all the same inputs because it is personalized to your details.

Take steps to improve your score

Take action today to get on track for tomorrow.

Now you know how to find your score, but don't stop there. Whether your score is red, yellow or green, it's important to know what impacts your score—and ultimately your retirement.

One of the most impactful ways to move your Retirement Wellness Score is to increase your contributions to your employer's retirement plan. According to our analysis you may need to save at least 10% of your pay, plus employer contributions, throughout your career to have enough income in retirement. Each individual's situation is unique, so savings and post-retirement needs may differ.[2]



Are you saving 10%? Consider increasing your deferral rate to 10% now, or if you can't push to the full 10% right away, consider starting with a smaller amount.

Even if you're already contributing, consider these additional contribution amounts below and the extra monthly income you may have if you make the increase. These are based on standard assumptions like a $35,000 annual income. To get a more personalized, detailed view of your situation and to see how these small increases can impact your personal score, log on at **principal.com/MyScore.**

Additional contribution	Reduction in bi-weekly take-home pay	Estimated additional monthly retirement income
6%	$63	$897
3%	$32	$449
2%	$21	$299
1%	$11	$150

The more years you have until retirement, the more impact even a small change can have. For those nearing retirement, don't forget to take advantage of catch-up contributions you may be able to make at and after age 50.

This example is for illustrative purposes only. It assumes $35,000 annual salary, bi-weekly pay periods, 3% annual wage growth, and 6% annual rate of return and a 30-year savings horizon. The bi-weekly contribution calculation is accurate for the first year only. The assumed rate of return is hypothetical and does not guarantee any future returns nor represent the return of any particular investment option. Contributions do not take into account the impact of taxes on pre-tax distributions. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs.

[2] Based on analysis conducted by the Principal Financial Group®, November 2019. The estimate assumes a 40-year span of accumulating savings and the following facts: retirement at age 65; 10-15% individual plus employer contributions; Social Security providing 40 percent replacement of income: 4.5% withdrawal of retirement savings; 6 percent annual market returns; 2 percent annual inflation; and 3 percent annual wage growth over 40 years in the workforce. This estimate is based on a goal of replacing about 80 percent of salary. The assumed rate of return for the analysis is hypothetical and does not guarantee any future returns nor represent the return of any particular investment. Contributions do not take into account the impact of taxes on pre-tax distributions. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs as savings depends on many factors, including lifestyle, social security replacement, and retirement age.

What else can I do?

It's the little steps like increasing your contribution rate that can make the biggest difference, but other planning details can also affect your score. Check out the Retirement Wellness Planner to learn more. **Simply click the Launch the Planner button or Retirement Wellness Planner link on your homepage.**

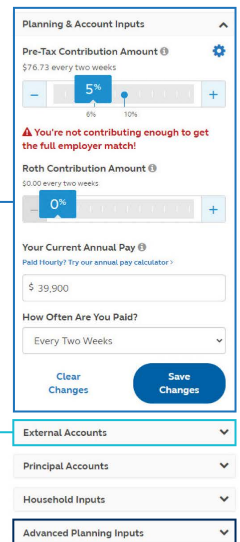
This interactive online planning feature helps you see where you —and your savings—may be headed. It can help you manage, visualize, and plan your retirement goals so you can get and stay on track for the future.

A

PLANNING & ACCOUNT INPUTS

Adjust basic information like your annual pay, contribution amount or how often you're paid.

- Contribution amounts (Both pre-tax and Roth, if available)
- Current annual pay and pay period



B

OTHER RETIREMENT INCOME & SAVINGS

Take a look at how other savings might impact your score.

- Additional retirement savings (like IRAs, accounts with previous employers, etc.)
- Defined benefit pension plan
- Other income (such as guaranteed income, etc.)
- Social Security

C

ADVANCED PLANNING INPUTS

You can even adjust finer details like retirement age or investment rate of return.

- Desired retirement age
- Desired income in retirement
- Annual rate of inflation
- Annual rate of return
- Employer match
- Additional employer contributions
- Pay increase per year

The scenario on these pages is for illustrative purposes only. Online, you may see other inputs or details personalized to you and your employer's plan.

You can make the planner even more powerful by personalizing it to reflect your full retirement picture. Use the charts below as a guide for the details you may need for the online planner you see on the prior page.

CONFIRM your basic information.

A Are your annual pay and pay period correct?

SEE THE IMPACT to your score by adding in other retirement savings and income.

B What other retirement savings or assets do you have?

Think about retirement savings you may have with previous employers, personal IRAs, etc.

B Do you have any sources of retirement income?

Include any guaranteed income products or previous pension plans.

C Does your employer offer matching or other contributions?

ADJUST your finer personalized details. The planner starts with some defaults and assumptions, but you can easily adjust those to reflect your personal situation.

B How much Social Security benefit might you have?

Your estimated benefit in the planner may already be defaulted. If it isn't, or if you want a more detailed projection, visit ssa.gov.

C What investment and inflation rates do you feel will apply?

The planner starts with 6% rate of return and 2% rate of inflation, but you can easily adjust those.[2]

C What kind of pay increases do you expect?

The planner assumes you'll experience a 3% pay increase annually,[2] though you can adjust that according to your situation.

SIMPLE TIPS TO HELP IMPROVE YOUR SCORE

The simplified retirement planning you've just read about is only one piece of your bigger financial picture. If you want to continue to improve your score, consider using these tips—they may enhance your financial life and impact how much you're saving for retirement.

Put saving first. A good tip for saving is to always pay yourself first. Commit to saving a certain amount every month, just as you pay other bills. One simple way to do this is to contribute more to your employer's retirement plan.

Create a monthly budget. A monthly budget should include saving for both short- and long-term financial needs.

Make a plan to reduce debt. In order to achieve your retirement goals, you must deal with debt, especially credit card debt. Pay down your balances or consider consolidating what you owe to pay it off faster.

Learn about Social Security benefits. Higher lifetime earnings may mean higher benefits when you retire. If you continue working after reaching your full retirement age, you'll add more earnings to your Social Security record. For more information, visit **ssa.gov.**

Talk with your financial professional. Use your new understanding of your score and planning details to talk with your financial professional about your long-term goals.

Find your score today. Visit **principal.com/MyScore.**

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