

Nonqualified deferred compensation plans

From the lens of the participant

2017 research key findings



1 Participants consider a deferred comp plan most important in:



3 Very important factors for participants in determining deferral amounts

39%



Progress toward savings goals

27%



Current income needs

27%



Personal tax rate

23%



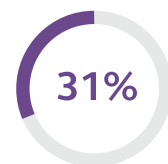
Estimated salary and/or bonus changes

21%

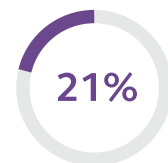


Overall investment portfolio

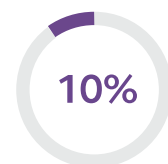
2 Expected retirement income by deferred comp plan participants



of participants anticipate the plan will provide 10–24%



of participants anticipate the plan will provide 25% or more



of participants view the plan as their **number one income source**

“It’s the best option for me to save for retirement at this time. Especially with the employer contributions.”

– Plan participant¹

4 Main reasons for participating in a deferred comp plan:



5 Likelihood of recommendation to participate



71% of participants would recommend the plan to other eligible employees*

*Significant increase over 2015 and 2016 results.

6 Employer contributions to participant accounts



Participants with employers making discretionary contributions

Participants with employers matching their deferrals

7 Retirement income spending strategy



50% of participants will use income from this plan first in retirement, before other savings

¹This is not a paid advertisement. The plan participant participated in a nonqualified deferred compensation plan through his/her employer with plan administrative services provided by Principal®. The plan participant is not affiliated with any company of the Principal Financial Group and the views and opinions expressed are his/her own.



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The 2017 Principal Trends in Nonqualified Deferred Compensation report is an online survey of 2,926 NQDC plan sponsors conducted between July 24 and August 14, 2017.

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