

A bonus that does so much more

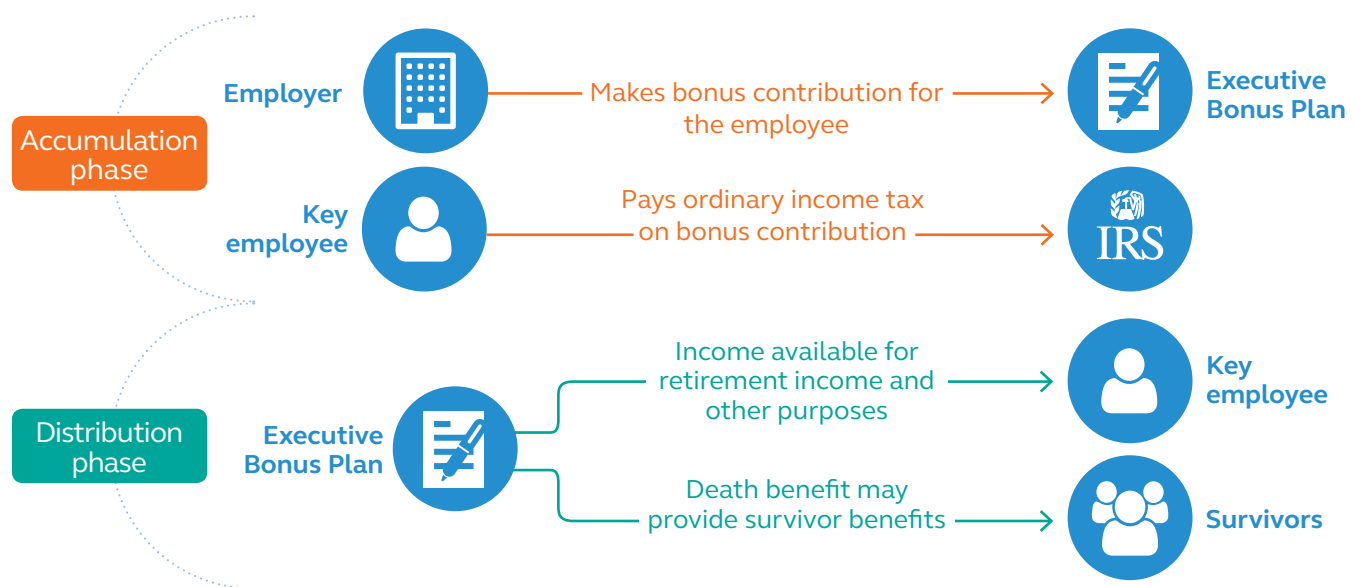
Offer a retirement benefit that helps you recruit, reward and keep your top talent.

You're focused on running a successful business, which includes hiring and keeping top employees. Your organization depends on it. So what can you do today – that's simple and effective – to recognize your key employees and give them another reason to stay with you?

Take a close look at Principal Executive Bonus PlusSM – an incentive plan that offers your key employees multiple benefits. It helps your top talent increase their savings for the future, while helping you reward and keep them for the long term. Plus, contributions are tax-deductible to you, and it's easy to administer!

Here's how it works

Typically, the bonus you contribute to the plan for select key employees is used to buy a life insurance policy from Principal[®]. This policy funds the Executive Bonus Plan and provides retirement income, death benefit protection, as well as additional living benefits.



- Employer offers an incentive bonus benefit to key employees and receives a current tax deduction.²
- Employer submits the bonus contribution to a life insurance policy.¹
- Key Employee owns the life insurance policy and benefits from the cash value and survivor benefits, but also pays income tax on any bonus contributions made to the plan.

What you need to know

There are many advantages to this plan, just as there are some things to consider.



For you:

Increase morale – It's an effective way to recruit, reward, retain and retire the employees who are most valuable to your business.

Receive tax deduction – You receive a current tax-deduction² on the bonuses contributed to the plan.

Communicate easily – Its simple and flexible plan design is easy to communicate and maintain.

Save time – You save time by not having to deal with annual reporting or ERISA requirements.

Impact cash flow – Bonuses you pay reduce company cash flow.

Rely on us – Trust our dedicated team of experts to provide ongoing services for your plan.



For your key employees:

Save more – More can be saved for retirement; above the limits of a qualified plan, such as a 401(k) or 403(b).

Receive multiple benefits – In addition to retirement income, it provides access to funds to address unexpected events, such as disability, chronic illness and other financial needs.

Enhance financial security – The employee's family may receive tax-free benefits at the employee's death.

Owns the policy – The key employee owns the life insurance policy¹, but must stay with the organization to be eligible for the bonus.

Pay potential taxes – An additional tax may be due if the employer's bonus doesn't cover all of the income tax. However, the tax on the bonus may be partially or fully offset with another employer bonus.

You want to offer key employees benefits they value – and those that will have a positive impact on them and your business. The Executive Bonus Plus plan can provide key employees with a retirement benefit, while helping you recruit and keep your top talent. Plus, you can trust the service and expertise we'll provide to you and your key employees every step of the way, year after year.



[Learn more.](#)

Contact your financial professional today.

¹ Additional financing options may be available.

² Due to the flow-through tax treatment of some businesses, such as S corporations and limited liability corporations (LLCs), you may want to consider specific plans designed to benefit the owners of these entities.

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