

Put a “plus” in your retirement

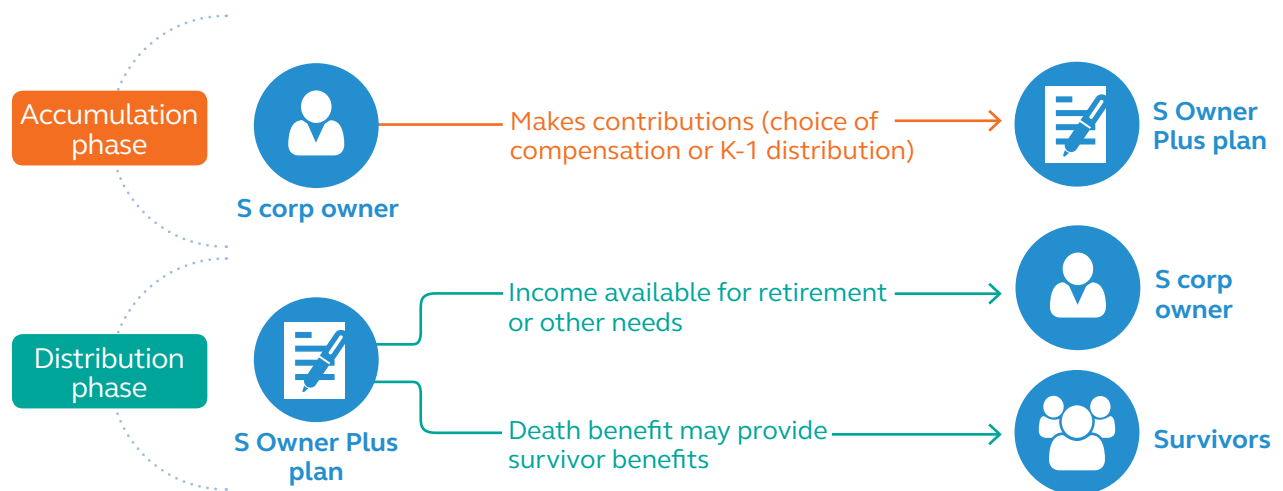
A retirement benefit for S corporation owners offering tax leverage and flexibility

As a busy S corporation owner, you also have your sights set on the future. A goal may be to maintain your current standard of living in retirement, but a 401(k) or other qualified plan may not let you save enough to do that. So what can you do today to help ensure you have enough income to enjoy your retirement years?

The Principal S Owner PlusSM plan is designed for you – it can give you death benefit protection and help you save more for retirement. And it can provide tax leverage without contribution limits and restrictions on compensation. The tax leverage comes with using life insurance to finance the plan, rather than it being based on a tax code provision.

Here’s how it works

You select an amount to contribute from compensation or K-1 distributions¹ – and your dollars are used to finance the personally owned asset – like life insurance. At retirement, you may access the values in the financial asset to help supplement your retirement income.



What you need to know

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

Save more – While qualified plans and Roth IRAs offer tax benefits, they have limits on compensation and contributions that don't apply to the S Owner Plus plan.¹

Choose from contribution options – As an S corporation owner, you can choose to take income as compensation or a K-1 distribution, allowing some payroll tax leverage.

Pay out distributions properly – If there's more than one owner, and K-1 distributions are used, distributions need to be in proportion to ownership.

Pay income tax now – Whether profits are distributed or retained for business expansion, you and any other owners are taxed at current ordinary income tax rates.

Need to be healthy – You must be able to qualify for life insurance if you choose to use it for financing the plan.

Choose alternate financing options – If you or another owner is unable to qualify for life insurance, other options for financing the plan are available. But these options will have different tax implications regarding accumulation and distribution.

You want to have benefits in place that can have a positive impact on your future and that of your business. Using life insurance, the S Owner Plus plan provides you with protection and a source for additional retirement income. Plus, you can trust the service and expertise we'll provide to you every step of the way, year after year.



[Learn more.](#)

Contact your financial professional today.

¹ Contributions must meet reasonable compensation regulations.



principal.com

Principal National Life Insurance Company and Principal Life Insurance Company, Des Moines, Iowa 50392-0001

The subject matter in this communication is provided with the understanding that Principal® is not rendering legal, accounting, or tax advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax or accounting obligations and requirements.

Insurance products issued by Principal National Life Insurance Co. (except in NY) and Principal Life Insurance Co. Plan administrative services offered by Principal Life. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., 800-247-1737, Member SIPC and/or independent broker/dealers. Principal National, Principal Life, Principal Funds Distributor, Inc., and Principal Securities are members of the Principal Financial Group®, Des Moines, IA 50392.

Principal, Principal and symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group.

Not FDIC or NCUA insured

**May lose value • Not a deposit • No bank or credit union guarantee
Not insured by any Federal government agency**