

Why start a retirement plan?

RECRUIT AND RETAIN. RETIRE. REAP THE BENEFITS.

Recruit and retain.

Eighty-one percent of plan sponsors like you agree their 401(k) plan is an **effective recruiting tool**, and 77 percent feel it helps retain their existing employees.¹

Employees rank retirement plans as **one of the most important benefits** they receive from employers, **second only to their health insurance**.²

Nearly four in five participants feel that the financial benefits they participate in at work **improve their financial wellness**.³

Retire.

A retirement plan provides a way for you to **diversify your assets beyond your business** and **save for your own retirement**.

Only 18 percent of workers are very confident they are doing a good job of **preparing to have enough money for a comfortable retirement**.⁴

Help your employees reach their retirement goals.

Reap tax benefits and incentives.

Your business receives a **tax deduction for contributions** you make, and assets in the plan have the potential to **grow tax free**. Seventy-two percent of business owners agree that tax incentive is important in their decision to offer a 401(k)-type plan.⁵

Eligible employers can claim a **credit of up to 50 percent for the first \$1,000** in administrative and retirement education expenses for up to three years.

WHY CONSIDER A 401(k) OR 403(b) PLAN?

There's a plan available to fit any business's specific needs, goals and financial considerations. Many small businesses and their financial professionals think first of a SIMPLE IRA plan, but a 401(k) or 403(b) plan might be a better fit.

401(k) or 403(b) plan	SIMPLE IRA plan
\$18,000 deferral limit*	\$12,500 deferral limit*
Custom employer match formula or no match at all; can make flexible profit share contribution	Requires a 100% up to 3% employer match or flat 2% contribution
Loans permitted	Loans not permitted
Can select from investment options geared toward retirement investment, which may include multiple fund families and potential for lower-cost alternatives	Tends to invest in retail shares offered by one fund family
Vesting of employer contributions permitted	Vesting of employer contributions not permitted
Roth 401(k) after-tax contributions allowed	Roth 401(k) after-tax contributions not allowed
Can be established at any time**	Must be established between January 1 and October 1

READY TO GET STARTED?

Call today to learn how I can bring in the right team to help design a retirement program that works for your business, now and in the future.

¹ Deloitte 401(k) Benchmarking Survey, April 2013.

² The Principal Financial Well Being IndexSM: Employees, First Quarter 2014.

³ Bank of America Merrill Lynch 2013 Workplace Benefits Report, June 2013.

⁴ 2014 Employee Benefit Research Institute Retirement Confidence Survey, March 2014.

⁵ The Principal Financial Well Being IndexSM: Business Owners, Third Quarter 2013.

* Salary deferral limits as indexed by the IRS for the 2016 calendar year.

** If the Safe Harbor plan design is utilized (to avoid ADP/ACP testing and using QMAC/QNEC), THEN the first/initial plan year must be at least three -months long.

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